

The NATIONAL UNDERWRITER

Life Insurance Edition

INS. LAB.

540
JUL 6 1935



IN and OUT—PROFITABLY

Getting IN and OUT of the prospect's door PROFITABLY is the essence of the underwriter's daily task. The principal steps are finding, qualifying, organizing, cultivating, and interviewing prospects.

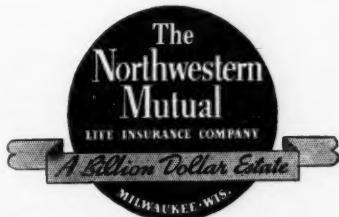
To complete these steps profitably, the underwriter's procedure must be fundamentally correct, and clothed with selling ideas that are bright, appropriate, and tuned-to-the-times.

Northwestern Mutual agents, assembled at their 59th Annual Meeting

this July, will receive in logical order a complete range of profit-making selling ideas, field-tested under current selling conditions.

Twenty compelling approaches and closes, selected from among hundreds submitted; business-closing presentations for the principal needs; and better methods for completing each step of the selling process will be divulged by successful producers in a program designed to help each agent improve his ability to get IN and OUT of the prospect's door PROFITABLY.

The assets of the Northwestern Mutual, as reported to state insurance departments, now total a billion dollars—a great estate administered for the



mutual welfare and protection of more than 600,000 policy-holders with nearly three billion seven hundred millions of insurance in force.

Have your own "Independence Day" is Metropolitan's advertising theme in the July magazines.* It is addressed to those who dislike the thought of being dependent on others.

Many who read the advertisement will be interested to learn how they can secure future financial independence for themselves. Field-Men can make this advertisement work for them by concentrating on Retirement Income business during July.

Life Insurance builds financial independence and security, and its proper use will keep alive the "Spirit of '76."

*Business Week, Collier's, Cosmopolitan, Forbes, Nation's Business, Saturday Evening Post, Time.

Don't forget the Convention of the National Association of Life Underwriters at Des Moines, Iowa, week of September 16th.

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

ONE MADISON AVE., NEW YORK, N. Y.



To the
PROSPECT we say:

Don't hope for a future, plan it!

SELLING NEEDS

Coast to Coast 3,000 Field Men
127 District Offices



With an increase of \$56,771,166.00 of Life Insurance in force during 1934, the Shield Company is enjoying the greatest progress in its history. Now 2,203,560 Policies in Force.

The **NATIONAL LIFE AND ACCIDENT INSURANCE COMPANY** Inc.
HOME OFFICE
NATIONAL BLDG.
NASHVILLE
TENNESSEE
• WSM •
50,000 WATTS



The National Underwriter

LIFE INSURANCE EDITION
A WEEKLY NEWSPAPER OF LIFE INSURANCE

Thirty-Ninth Year—No. 27

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JULY 5, 1935

\$3.00 Per Year, 15 Cents a Copy

Expansion Is Seen in Accident Field

Prediction Is Made That More Life Companies Will Enter Arena

DESIRE TO HELP AGENTS

Opportunity at Hand to Increase the Premium Income During Days of Decline

The prediction is being made in some well informed circles that during the next few years more life companies will be writing health and accident insurance and the prophets are bold enough to say that some of the larger institutions not now in the field will engage in this line. The Travelers, Aetna Life, Connecticut General Life and Metropolitan are all writing large amounts of accident and health. The Equitable Life of New York is in the group accident and health business and at one time was actively making a bid for personal business.

Effect of Disability Clause

Those who are looking ahead say that a large amount of life insurance was sold because of the total and permanent disability provision, but since this has been strangled there is not any great attraction in buying this in connection with life insurance. The companies writing health and accident insurance have taken over therefore those prospects that were particularly interested in the total and permanent disability feature. Some of the actuaries have always claimed that there is a place in life insurance for strict total and permanent disability. Therefore if the companies take this up they will undoubtedly follow some non-cancellable course and write it in a separate contract. While the straight non-cancellable accident and health insurance has been a nightmare for the companies that engaged in it, it was largely due to their lack of experience and their experimentation. They did not provide proper rates in the early years nor sufficient coverage limitations. These companies could probably now reinaugurate non-cancellable insurance and write it at a profit.

Used as Sales Stimulator

Those that are inclined to feel that more life companies will get into health and accident, writing only separate contracts and not mixing up total and permanent disability so closely with regular life policies, say that this being a personal form of insurance, it rightfully belongs to life insurance operations. Furthermore they hold it will offer wider possibilities for agents. Companies that are writing accident and health use that department as a sales stimulator. This is employed largely where a salesman becomes discouraged

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Queer Requests for Use of Proceeds Are Problem

NEW YORK, July 3.—The principal was to be paid to the President of the United States, to be held at interest for 100 years and then used by the government for some outstanding public project. That was what one assured wanted done with his policy proceeds after his son had received the interest until he was 21 years old.

It took a good deal of persuading to convince him it couldn't be done. The company suggested that the assured write to Washington and sound out the federal government on the idea. The answer was sufficiently definite to cause the plan to be dropped.

Seemed to Be Good Idea

The man's primary aim was to dispose of his insurance in line with his firm belief that his son should not be financially aided by his father's insurance after reaching his majority. The proposal to turn the principal over to the government seemed like a good way of assuring that the money would be used for some useful purpose. His original plan was to have the money held at interest until it accumulated to a certain amount, at which time it would be used for the public good.

While this request was one of the most unusual encountered by life companies there are many nearly as far out of the ordinary. A good many of the more striking proposals submitted by policyholders are interesting but impossible for a life company to accept because of the legal difficulties they would entail. Usually they involve the necessity for the company to exercise a type of discretionary power that is the proper province of a trustee.

Other Unusual Requests

One assured wanted to keep his life insurance proceeds in the family, so he specified that in event his widow married anyone other than one of the assured's brothers the principal should revert to the contingent beneficiaries. Another man had a broader outlook, being solely interested in keeping the money in the hands of his own race. He wanted to specify that in the event of his widow's marrying anyone outside her race the money should revert to the contingent beneficiaries. Both these proposals were turned down.

A man who disliked his daughter's boy friends wanted to specify that the daughter should be excluded as a contingent beneficiary if she married this man before a certain date about a decade in the future, when she would be about 35 years old. She was free to marry any other man as soon as she pleased. The company refused to take a hand in this sort of arrangement.

A woman tried to name her pet dog as beneficiary on her life policy, leaving the proceeds under a settlement option. When the company refused to name a canine beneficiary she named a friend as trustee to administer the proceeds for the dog's welfare.

A number of requests for out-of-the-ordinary settlements come from people who are more familiar with industrial insurance than with ordinary. Requests

in this category are usually for the company to arrange for funeral expenses and to see to the purchase of a suitable burial plot.

The requests which cause the headaches, however, are those which are entirely within the legal powers of the companies to carry out but are so complex and far-reaching that the issuing company foresees a vast amount of future annoyance in tracing children and children's children even to the fourth and fifth generation, to pay each his rightful share of possibly only a few dollars.

Often the assured gets himself into all sorts of complicated options without realizing that in nine chances out of ten the proceeds to be received by the ultimate beneficiaries on some distant day may amount to considerably less than the cost to the company of rounding up each of the recipients and handing him the \$2.67 which is his under the terms of the life insurance policy of Great-Grandfather John B. Prospect who died 'way back in 1943.

Some companies hold closely to the New York law governing trusts, which specifies that the principal may be held for "two lives in being" at the death of the assured. Others will go a great deal further and take in children who are not living at the time of the assured's death and even more distant descendants.

Perpetuities Frowned Upon

Some lawyers hold that life insurance policies are contracts rather than trust agreements and therefore the law against perpetuities which fixes the time during which a trust fund can be held without distributing its principal does not apply to life insurance contracts. The companies prefer to stay out of possible future legal entanglements and do not try to buck the law against perpetuities in the absence of specific court decisions.

Another view is that the law against perpetuities applies to life policies only when proceeds are being held on the interest option and that if the principal is being gradually used up there is no prohibition against deferring its ultimate distribution as long as desired.

The absurd lengths to which policyholders will go in making requests is shown by case in which a man with a \$2,000 policy wanted it paid in \$50 a month installments to his wife and if she died before the \$2,000 was used up the remainder to go to his 11 nieces and nephews. If his wife were to die after receiving only one payment, each niece and nephew would get only about \$175.

Sometimes in such cases the needless complexity of the plan is the result of an agent trying to convince the assured how little insurance he has and frequently a letter from the home office can bring about simplification. In many cases, however, the assured wants what he wants, and it is easier to give him his way, provided there are no legal complications, than to try to argue him out of it.

Issues Scarce in Investment Field

Finance Officers Are Experiencing Difficulties in Finding Adequate Channels

FACTORS OF IMPORTANCE

Some Elements That Have to Be Considered by the Life Insurance Companies

By RALPH E. RICHMAN

HARTFORD, July 3.—Aside from the desire to be in a thoroughly liquid position in times like these, companies gravitate toward that position because desirable investment issues are scarce. It was considered adequate in 1929 to have one percent of the assets in cash. Today companies have from three to five percent or more of the assets in cash. And in addition many of them have government bonds which bring their liquid assets up as much as one-fourth of the total assets.

Problem of Investment Executive

The problem of the investment executive is not merely to keep funds invested but to have them invested at terms which will not penalize the company in the future, preventing it from taking advantage of rising rates of interest. Advantages of competition in the money market are today all on the side of the borrowers. They want long terms, low interest rate, little or no payments on the principal and a high appraisal on the mortgaged property. But the investment officer today is not keen to take a low interest rate issue over a long term. Much of the bargaining that goes on between investment officers and borrowers results in a compromise whereby the company takes a little lower rate in return for a shorter term than desired by the borrower.

In general, it would seem that in the present market, the companies would prefer a slightly lower rate of interest rather than tying up of funds over a long period. To give a specific example, one company compromised a 22 year term to an 11 year term and gave a slightly lower rate of interest.

This competition for loans on the part of the companies proves costly not only in more favorable terms for the borrower but also in investigation and preliminary costs. Companies eagerly watch for possible outlets for funds. They send men out to check on relatively small issues, expecting to buy possibly the entire issue only to find after their investigation that another company or a local group of financiers is ready to take the issue at a little more favorable terms than their own bid. The whole investment field is chaotic and scarcely justifies adoption of any general policy, according to most in-

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Benjamin Franklin's Early Work in Life Insurance

In the June issue of the "American Conservation," the house organ of the American Conservation Company of Chicago, William Clendenin, the well known writer and research man, brings out some new phases of American life insurance that are decidedly interesting from an historical standpoint. In January, 1932, Mr. Clendenin published an article, "Benjamin Franklin, First American Apostle of Life Insurance." Since that time he says that he has gone further into the subject of Franklin's early activity in life insurance.

Wrote an Early Essay

There has been discovered Franklin's first essay appearing in the "New England Courant," Aug. 5, 1722, when he was 16 years old, apprenticed to his brother, J. Franklin, it being published by him. The article was on "assurance." Mr. Clendenin shows that Benjamin Franklin quoted freely from Daniel Defoe, who was one of the first proponents of insurance, and came into fame aside from his immortal "Robinson Crusoe." Defoe at that time advocated women's rights, female academies, world insurance against war, public works employment for debtors instead of sending them to jail, etc. The boy Franklin, according to Mr. Clendenin, reacted to these new and startling suggestions in Defoe's "Essay on Projects." He got an idea of mutual insurance companies and mutual benefit or friendly societies.

In Fay's "Life of Franklin," mention is made of the latter's keen interest in insurance. A whole chapter is devoted to Franklin's thought in this connection.

Franklin had brought into being the "Hand in Hand," a Philadelphia fire insurance company, which was authorized to write life as well as fire insurance.

Dr. Richard Price was a fellow of the Royal Society of London as was Benjamin Franklin. On April 1, 1769, Dr. Price forwarded a 42-page letter to Franklin discussing at great length the entire subject of "Expectancy of Life," as a formative and constructive basis for the "calculation of assurances, annuities and tables actuarial pertaining." It was on the approval of Benjamin Franklin that the manuscript was presented to the Royal Society. Thus Mr. Clendenin points out that Benjamin Franklin acted as consultant in this subject and was the chosen arbiter.

Father of Crop Insurance

In the old documents, Mr. Clendenin reaches the conclusion that Franklin was in all human probability the father of crop insurance. The Equitable Society was formed in England in 1762, but authorities agree that even it was unsafe until the Northampton tables and corrective measures instituted by Dr. Price became operative. Price's new rates did not go into effect until 1782. Mr. Clendenin concludes that the reform program began with the subject matter contained in the Franklin letter of 1769 to Dr. Price. It was in 1762 that Dodson's idea of premiums graduated according to age was introduced.

Over 20,000 Calculations

Mr. Clendenin states that it remained for Dr. Price to work out the angle of life contingency to the completion of which he devoted upwards of 20,000 original calculations before the Equitable was safely launched. Mr. Clendenin says that it was in the period between 1760 and 1780 that life insurance, as it is known today, arrived, and America, through Benjamin Franklin was most significantly represented. He says it was Dr. Price of England who set the stage for the great play of life insurance. Benjamin Franklin was thoroughly informed

and profoundly concerned in the whole matter.

Annuities occupied the first and primary attention and it was out of annuities that life insurance arose. In the Franklin letter to Francis Maseres, June 17, 1772, he states that it was he, Franklin, who gave Dr. Price his statistical data on Holland. For in that country, some material had been gathered regarding definite annuities. Mr. Clendenin says, "We have enough claim for giving Benjamin Franklin a prominent and important part in bringing life insurance safely and soundly into being for we may rest assured that Maseres would not have been consulting and corresponding with Franklin nor Dr. Richard Price have been forwarding his manuscript of 'Observations on Life Expectancy' had not our own great American been deep in the problems along with them, and his advice held in high esteem, if not invaluable by them both."

False Answer Decision in Nebraska Stirs Up Business

LINCOLN, NEB., July 3.—A decision of the Nebraska supreme court to the effect that an insurance company is estopped from claiming that false answers to questions in applications that were written in by the agent void the policy has stirred Nebraska insurance circles. It overturns a former decision that held that insurance companies cannot be left at the mercy of scheming agents and policyholders, and the New England Mutual Life, victim in the last case, has asked a rehearing. Twice the supreme court upheld its contentions, but following the second reargument the court set aside previous judgments and found for Walter A. Scott, a tubercular before he took out the policy, giving him \$100 a month disability, holding also that where a jury verdict, which Scott obtained, cannot be overturned unless clearly wrong. The company contends that this leaves to the whim and prejudices of jurors duties and responsibilities belonging to the court; that it establishes a dangerous and unjust rule and precedent, unsupported by the facts and unsupported by the law as heretofore interpreted by the court, and cannot help but be conducive to perjury and fraud in the future.

C.L.U. Development And Taxes Viewed By Dr. S. S. Huebner

The C. L. U. movement is expanding rapidly, Dr. S. S. Huebner told 125 Pittsburgh agents attending a luncheon.

Dr. Huebner stressed that the American college is young, having started in 1928 and actually functioning first in 1929. Only one year of its existence has been in normal times; the balance in depression. However, there has been a healthy growth during trying times and the number of applicants taking examinations has grown from 114 in 1929 to around 800 in 1935. Twenty-seven hundred applications have been approved in the last seven years, of which number 1,000 have attained the C. L. U. designation. The remainder have all successfully concluded part of the course.

Shows Spread of Idea

Twenty-seven cities have chapters of the American college. There are 87 examination centers now established in 70 universities and colleges, offering all or most of the curriculum. Dr. Huebner said that the educational standards of the college compare favorably with those maintained in the C. P. A. course.

He pointed to the spread of the C. L. U. idea into the property and casualty fields where leading figures have under consideration the establishment of similar functionaries. Trades and banks also are taking up the idea, he said.

Speaks at Indianapolis

Devaluation of the dollar by the administration has brought on inflation, evidences of which already are apparent, Dr. S. S. Huebner, president American College of Life Underwriters, asserted in Indianapolis at a joint meeting of the Indianapolis chapter of C. L. U. and Indianapolis Association of Life Underwriters.

"An increase in the cost of foodstuffs of approximately 47 percent in the last year has come as a direct result of the dollar devaluation," he said. "Further increased costs in food, clothing and shelter are inevitable. We may think the tremendous cost of government may be paid by the so-called 'soaking the rich' but the fact is that there really aren't many rich left to soak. The increase in surtax will prove a disappointment as its revenue-producing possibilities are largely exhausted. The result will be that sooner or later the average man and the ultimate consumer will have to pay the tax."

"This is no time to try to curb speculation. With mountains of money idle, now is the time to encourage every form of commendable risk-taking by holding out to capital opportunity for profit. Only by investment with an element of risk—in industry and business—can we establish reasonably permanent jobs for the unemployed. In fact, now is the worst time imaginable to hit in the head aggressive investment of a productive type."

"Taxation and the feeling that profits made by taking a chance are going to be taken away from the owners of capital are the great hindrances now. Confidence must be restored. When capital feels confident then economic law will bring out the mountains of capital into productive uses. It is then quite likely that the pendulum again will swing in the opposite direction and we shall see a new era of prosperity."

He considers devaluation of the dollar a dishonest way of avoiding payment of debts. He anticipates no further devaluation. The only honorable and practical way to pay government obligations is by means of taxes. Dr. Huebner said further taxes are inevitable. "The tax situation," he said, "is one of the biggest problems looming over the financial horizon, and we should not lose sight of the wonderful advantage that life insurance has in its freedom from taxation."

New Coast Commissioner Is Making Many Friends



HUGH H. EARLE, Oregon

The new Oregon insurance commissioner, Hugh H. Earle, who was formerly a local agent at Eugene, is making many friends in the fraternity by his intelligent entrance into the department and his grasp of the subject. He was one of the founders of the Eugene Insurance Union and served as its president on two or three occasions. His most recent term was just completed when he was appointed to office. He helped to organize the Oregon Insurance Agents Union, the state association of insurance agents. He has been in the general insurance business for 16 years. Mr. Earle has been a resident of Oregon since 1905 and has lived in Eugene since 1918. He is a native of White Hall, Wis., where he was born March 6, 1879.

Six-Month Figures Given

Preliminary Data Shows Predominance in New Paid Business and Insurance in Force Gains for First Half of 1935

The results for the first six months of 1935 on paid business and change in insurance in force are reported by a number of companies. The figures in

many cases are approximate as it is too early to file accurate data especially as to the insurance in force. More reports will be published next week.

	New Paid Business First 6 Months 1935	Increase or Decrease in Insurance in Force 1935 1934
American Life, Mich.	\$ 3,018,703	\$ 2,249,101
Amicable Life, Tex.	10,049,411	9,808,172
Bankers Life, Iowa	30,500,000	+28,532,770
Berkshire Life	8,825,041	-9,504,055
Church Life, N. Y.	903,924	-773,378
Columbia Catholic Life	307,800	-202,400
Columbus Mutual Life	6,260,000	+5,174,203
Empire Life & Acci.	842,435	-982,937
Family Mutual Life, Del.	245,291	-142,328
General Mutual Life, O.	349,382	-387,840
Girard Life	1,100,000	-1,515,458
Great National Life	1,225,469	-1,441,020
Great Western, Ia.	1,718,250	-1,299,775
Imperial Life, N. C.	890,000	-1,018,766
Mass. Savings Bank Life	7,355,458	-5,319,590
Modern Life, Minn.	2,254,304	-513,500
Morris Plan	16,500,000	+14,882,567
National Life, Vt.	17,924,535	-14,181,989
New World Life	2,441,000	-2,219,222
Pathfinder Life, Neb.	85,000	-45,000
Peoples Life, Ind.	3,561,844	-3,422,640
Phoenix Mutual Life	23,000,000	-24,859,930
Policyholders Natl. Life	1,460,582	-1,859,933
Public National Life	2,102,213	-2,189,300
Pure Protection Life	340,720	-68,800
Reserve Loan Life	5,487,005	-8,261,866
Rockford Life	933,714	-624,638
State Reserve Life, Tex.	780,000	-628,648
Union Mutual, Ia.	1,505,359*	-1,309,649
United Benefit Life, Neb.	12,101,313	-11,422,413
United Life & Acci.	1,880,000	-1,822,856
Washington National	2,741,915	-1,532,938
Webster Life, Ia.	212,628	-131,050
Western & Southern Life	76,282,642	-68,693,706
Western Union Life, Neb.	88,000	-83,750
Wisconsin Natl. Life	2,048,668	-1,367,787
Reinsurance	\$921,359	+150,075

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Six Proposals Submitted at Detroit Life Hearing

MODIFY RECEIVERSHIP ORDER

North American, Maccabees, American Central, Life of America, United Mutual Bids, Mutualization Heard

LANSING, MICH., July 3.—Judge Carr of Ingham circuit court modified the Detroit Life receivership order to provide that only 40 percent of the face on matured endowments shall be paid while the company remains under departmental control. The amendment was drafted by Hugh Wilson, assistant attorney general, at the suggestion of R. M. Wade, second deputy commissioner, who has been at the home offices of the company representing Commissioner Ketcham, receiver. Wade said he had held up payment of such endowments in full as provided in the original order.

Six proposals for reinsurance or reorganization of the Detroit Life were taken under advisement by Judge Carr following an all-day hearing.

Judge Carr evinced a lively interest in all of the plans offered, questioning their sponsors closely and bringing out many pertinent points. After the hearing was adjourned he conferred for some time with J. E. Reault, actuary and chief examiner of the Michigan department; Mr. Wade and Mr. Wilson, who appeared for the department, assisted by a special assistant, H. P. Orr.

Provide Varying Liens

The plans, with the exception of that presented by James Crume, who explained his copyrighted proposal for mutualization of the company under its present management, followed similar lines, although differing in many details. Each would provide for lien against Detroit Life policies varying from 50 to 60 percent. The Crume plan has already been presented in skeletonized form to the policyholders by the Detroit Life management and has been rather favorably received, according to replies to questionnaires. It would provide for continuance of approximately present protection for all policyholders at an approximation of present rates. All death claims and maturing endowments would be paid in full and a lien of 60 percent would be placed against cash values. Instead of charging interest, however, a \$1,000 ordinary life contract, with some \$200 cash value, would be divided into two parts. If the lien were 60 percent, the remaining 40 percent would be set aside as a \$400 policy with full \$80 cash value and bearing the former premium rate at the age of issue. The rest of the premium paid by the insured would be applied to buying as much whole life insurance as possible at the attained age, probably another \$400. The remaining \$200 would be supplied in the form of term coverage for which no premium would be charged.

Highlights of the several management contracts offered, in summarized form, follow:

Gists of Other Bids

North American Life, Chicago—Lien, 60 percent of net equity; interest, 4½ percent to Dec. 31, 1949, 4 percent thereafter; incurred death claims, paid in full; period of lien waiver, to Dec. 31, 1944, with interest not deducted; extended insurance, amount reduced for same period; disability benefits, waiver of premium in full, income and disability clause canceled, claims reduced by amount of lien; cash and loan moratorium, five years from date of agreement; previously matured endowments, 40 percent and 40 percent participation certificates; amounts left with company, reduced by lien; cash surrender, reduced by lien; administration expense, initial expense, 50-cent fee for each \$1,000, \$2 per year per \$1,000 on premium-paying policies, \$1.25 on extended insurance, fully and fractionally paid; rewritten policies, 5 percent commission for nine

Is Official Host at the Commissioners' Meeting



WILLIAM A. SULLIVAN, Washington

Insurance Commissioner W. A. Sullivan of Washington is the state official host to the National Convention of Insurance Commissioners, whose annual meeting will be held in Seattle next week. He is a native of Ireland. Before being appointed insurance commissioner he was president of W. A. Sullivan & Co., the insurance and real estate firm at Seattle. He was 22 years in the insurance business.

years or optional three annual 15 percent payments.

Maccabees—Lien, 50 percent; no lien interest; new policy issued dated back

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Officials Optimistic Over Prospects in 1935 and 1936

SEE MEASURE OF PROSPERITY

Political Situation Not Discouraging; No Slump in Election Year Is Anticipated

Considerable optimism over prospects in life insurance during the remainder of 1935 and in 1936 has developed among company executives, a survey shows. This in spite of the fact that a general election year usually brings uncertainty. The usual election year slump is not anticipated. Business knows what to expect if Roosevelt is reelected, and if he is defeated by the conservatives, it is believed, there will be a loosening of the curbs on business.

There is a general feeling that business will take care of itself and that regardless of any "leftist" legislation which may be passed, recovery will not be held back. Some company executives predict a return to prosperity by 1937, although not on the high level of 1928-29.

General Improvement Seen

While life insurance as a whole has been reporting a slight decrease in the past few months, Walter LeMar Talbot, president Fidelity Mutual Life, feels optimistic over the outlook and believes the "increasing volume which we are experiencing will be continued in the coming year. The improvements noted by the company appear general, rather than confined to specific localities."

President Law of the Penn Mutual comments: "Our new paid-for insurance shows an increase of about 10 percent over that of last year, and each month has shown a substantial increase over the same months of 1934."

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M. A. Kern Entertains Group of Commissioners

GOES TO LEXINGTON FIELDS

President of the Alliance Life Is the Host to Large Gathering of Officials

M. A. Kern, president of the Alliance Life of Peoria, and the Mutual Casualty of Chicago, arranged to entertain



M. A. KERN

the insurance commissioners and a number of others enroute to the annual meeting of the state officials at Seattle next week, at his magnificent country estate, northwest of Chicago, known as Lexington Fields. Mr. Kern is one of the most successful and adept raisers of show horses in the Chicago district, it being his avocation. He arranged to have the commissioners' party taken from the Hotel LaSalle, Chicago, where they foregathered, to Lexington Fields by buses and automobiles, there being about 125 guests.

Horses on Exhibition

Mr. Kern had on exhibition some 15 of his show horses, the most celebrated being "Grand Lex," the world champion gelding. Another horse that is a celebrity is "Lex, Va." the mare that won the prize at the International Stock Yards show. Mr. Kern has a farm of 173 acres, it being devoted largely to the breeding and raising of horses as the cultivated land is pretty much in hay and pasture. The Kern's ancestral home was at Watseka, Ill., where his father, a well known attorney, owned a farm and raised horses. There the Kern boys got interested in horses and they now are experts in the horse line.

Took Party to Arlington Races

Arrangements were made for a buffet luncheon following the exhibition of the horses and later on Mr. Kern planned to escort the entire party to the Arlington race track nearby, where the summer races are on. Mr. Kern was the official host assisted by Mrs. Kern, his brother L. D. Kern, secretary of the companies, and Mrs. Kern. Some of the officials of the Alliance Life and Mutual Casualty were present to lend a hand, they being Vice-president H. N. Bruce, Alliance Life; B. W. Boyd, vice-president and sales manager, S. D. Tilney, manager of the Mutual Casualty.

President Kern purchased the farm six years ago and the development has been his own idea and conception, he having done a magnificent piece of work as the place is one of the most picturesque farms in that portion of the Chicago area.

M. A. and L. D. Kern joined the commissioners' party and went to Se-

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Kingfish

A real kingfish, and not one of our two nationally known humans. A tragic story, and a true one. This policyholder left his Northern home for vacation fishing off the Florida coast, is dead, by the bite of a kingfish, and we have paid a \$25,000 claim.

The unfortunate man, in company with others, was using a small yacht. Feeling drowsy, he sprawled upon the deck, enjoying the balmy indolence of sun and sea air. One of his companions pulled aboard a kingfish. It furiously floundered, and spasmodically struck a kneecap of our policyholder. There was an abrasion of the skin, which did not inconvenience, and in due time our member returned to his Connecticut home. Suddenly the kneecap showed infection. It spread quickly, and soon the life was ended.

Vacation seasons have their own dangers, and he is perilously foolish who says, "Come and see me after I get back from my vacation." Life's uncertainty never takes a vacation!

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

Texas Out to Get National Meet in 1936 for Houston

TO RAISE CAMPAIGN FUND

Elect H. K. Cassidy, Head of Convention Seekers, State President—Managers Hold Session

That Texas is out to get the annual convention of the National Association for 1936 and also to advance one of its better known life insurance general agents into the executive family of the National Association was the predominating theme at the annual session of the Texas Association of Life Underwriters. Houston is the proposed convention city but the entire state is behind that large city in its efforts to have the National association come to Texas for the first time in its history.

H. K. Cassidy, Houston general agent of the Pacific Mutual, was elected president to succeed O. P. Schnabel of San Antonio, the special significance being that Mr. Cassidy is chairman of the "On to Houston Committee" of the Houston association and he presented the official invitation at the mid-year meeting on behalf of Houston.

The Texas association authorized a special fund of \$1,000 to be obtained by subscription throughout the state which will be turned over to the Houston convention committee without restriction to be added to that city's special fund of \$5,000.

Cummings Is Endorsed

O Sam Cummings, Texas manager Kansas City Life, was endorsed both by the main convention and by the Managers' Conference for a place on the executive roster of the National association. He is now a member of the National executive committee.

Vice-presidents elected include Harry Griffiths, United Fidelity, Austin; Ricks Strong, General American, Dallas; Roy McGuire, Southland, Brownwood; Hollis M. Manley, Amicable, Abilene; and W. M. Reed, Great Southern, Corpus Christi. Fort Worth was unanimously chosen for the 1936 convention in invitation of J. L. Baumann, Pacific Mutual, retiring state vice-president.

The Texas Association has broken all membership records, the total being in excess of 1,150, the exact amount not being available as President Schnabel was being bombarded with reports of new acquisitions all during the session and especially as the deadline for reporting to the National association approached. The total last year was 717 and the goal for this year was set at 1,000.

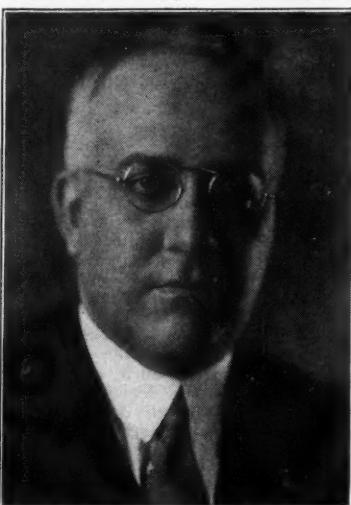
Inadequate Leaders' Group

Other important actions at the convention was the authorization of a Leaders' Round Table for Texas which will give recognition to leading producers, the minimum requirement being the writing of \$6,000 of first year premiums, and the authorization of a special committee with instructions to adopt a membership emblem.

J. J. Timmins, state insurance department examiner, who pinch hit for Commissioner R. L. Daniel, who was out of the state, announced that the attorney-general had ruled that the new licensing law makes it mandatory for all life underwriters in the state and agents of the assessment and mutual benefit societies to obtain licenses immediately.

Speakers included: H. R. Smith, Jefferson Standard, Houston, "The Educational Activities of the Houston Association"; R. B. Shields, Great National, president Dallas association, "Planning Meeting Programs"; Grace G. Campbell, Jefferson Standard, "The Duties of an Association Secretary-Treasurer"; P. C. Creamer, Southwestern, San Antonio, "Building Membership in an Association"; Harry Griffiths, Austin, "Ideas on Legislation"; "The Leaders' Round Table" by Mr. Carlton J. Baumann,

Proposed for Secretary of National Association



O. SAM CUMMINGS

O. Sam Cummings, Texas manager for the Kansas City Life, is proposed for election as secretary of the National Association of Life Underwriters at the annual meeting in Des Moines. A joint committee of the Dallas Association of Life Underwriters and the Managers & General Agents Club of Dallas has undertaken to place his name before the nominating committee and is undertaking to concentrate sentiment in his behalf. The chairman of the joint committee is Robert M. White.

In a resolution endorsing Mr. Cummings, the joint committee expressed the belief that he is the logical man for the office. The committee points out that he is one of the four former vice-presidents under the old organization plan that were continued in office during the past year. One of them will retire as president this year and the other three, including Mr. Cummings, have now been endorsed by their respective local associations for further service.

A complete statement of Mr. Cummings' various activities in behalf of organization affairs would be lengthy. He has been a president of the Texas State Association of Life Underwriters; he was in charge of revising the constitution and by-laws of the National association; he has been a vice-president of the National association and last year was elected a trustee under the new plan. He is a trustee of the American College of Life Underwriters.

Mr. Cummings has a great flair for organization work and revels in it.

general agent Pacific Mutual, Fort Worth, Mr. Timmins, and John C. Leissler, the "Southwest Insurer," who discussed "Newspaper Publicity—What It Is and How to Obtain It."

Mr. Smith urged the local associations to lend more encouragement to the C. L. U. movement, reciting the plans in Houston. Mr. Shields urged the associations to trade speakers, to have a "ladies' night" as an annual social event and to have joint meetings with outside clubs. He also recommended that the programs be announced well in advance. Mr. Creamer urged the associations to publish the names of their members at frequent intervals, and to keep a life insurance underwriter as president of the association.

Mr. Baumann urged the underwriters to fit life insurance to the problems of their clients. Mr. Leissler urged the members to cooperate with the press at every opportunity so that more constructive publicity for legal reserve life insurance can be obtained. He especially urged the underwriters to patronize the advertising columns of their local papers as often as possible, and also al-

International Life Claim Has Now Been Adjusted

ALLOW \$950,000 SETTLEMENT

Courts Sanction Plan Whereby Future Profits Will Go to Missouri State Account

ST. LOUIS, July 3.—The approval by Federal Judge Davis and Circuit Judge O'Malley of the settlement for \$950,000 in cash of all claims of the International Life against the General American Life under the reinsurance contract with the Missouri State Life in August 1928, paves the way for the immediate liquidation of the International Life Corporation and means that all future profits on the International Life business will be for the entire benefit of the Missouri State Life account.

Will Cut Down Expense

Based upon the original negotiations in connection with the final settlement of the International Life's claims under the reinsurance contract the potential profits to the Missouri State Life account is upwards of \$2,000,000, as Massey Wilson, co-receiver for the International Life and other interested stockholders of that concern had sought upwards of \$3,000,000 for the surrender of the reinsurance contract. In addition the policyholders of the Missouri State Life, including the former International Life policyholders, will benefit also from elimination of the expense and annoyance of the double receivership.

Final Liquidation Dividend

Of the \$950,000 cash to be paid by the General American Life to the International Life Corporation \$900,000 will be devoted to the liquidation of the stock, and \$50,000 will be paid to Massey Wilson and directors for their services in connection with the negotiations. The payment means that a final liquidation dividend of slightly more than \$23 will be paid on each of the 37,500 shares of International Life stock. Prior dividends under the receivership had totaled \$4 a share. The stock had a par value of \$25 a share, but had sold for from \$65 to \$75 prior to the crash of the company in 1928.

Canadian Institute Elects Officers at Annual Meeting

TORONTO, ONT., July 3.—Officers and council were elected at the annual meeting of the Insurance Institute of Toronto, held in the convention hall of the Imperial Life. Honorary president is W. R. Houghton, London & Lancashire; president, J. H. Lithgow, Manufacturers Life; vice-president, George Weir, London Guarantee & Accident; secretary-treasurer, Clifford Elvins, Imperial Life Assurance; librarian, R. Foster Smith, Liverpool & London & Globe. The council consists of the past presidents, and J. D. Williamson, Canada Life Assurance; E. T. Alberts, Canadian Surety; J. H. Birkenshaw, Confederation Life; N. J. Lander, Continental Life; J. H. Riddell, Eagle, Star & British Dominions; C. P. Muckle, Excelsior Life; J. G. Parker, Imperial Life; L. Weightman, London Guarantee; J. W. Fisher, National Life Assurance; H. A. Joselyn, New York Underwriter's Association; W. G. Galloway, North American Life Assurance; A. C. Hall, Ocean Accident; C. E. Sword, Union of Canton.

ways to mention "legal reserve life insurance" somewhere in the advertisement.

The two Waco companies, the Texas Life and the Amicable, were hosts to the visitors at a barbecue and luncheon.

Sun Life President Gives Benefits of Participating Plan

ADDRESSES AGENTS MEETING

Increasing Proportion of Dividend Business in Company Noted at Murray Bay Session

MONTREAL, QUE., July 3.—Speaking at a convention of Sun Life fieldmen at Murray Bay, Que., A. B. Wood, president and managing director, referred to life insurance as "the largest profit-sharing enterprise in existence. In the companies on this continent altogether—non-participating, mixed, and fully mutual—the total paid-up capital amounts to but seven-tenths of 1 percent of total assets. Every sound business of course should be conducted at a profit—that is the test of soundness; but so far as life insurance is concerned, the contributors themselves get the benefit of profitable operations."

Par vs. Non-Par Question

Mr. Wood went on to deal with participating versus non-participating contracts. "I have investigated the actual results realized by a group of seven representative participating companies in the United States and Canada, including our own, over the past 20 years," he said, "and compared the results with those on corresponding non-par policies issued at the rates generally prevailing on that class of insurance at the time of issue. Each of these companies gave a net cost result, on all the plans tested, substantially more favorable than that accruing to the corresponding non-par contract.

"Taking a whole-life policy at an average age, the average net cost result over 20 years shows an advantage over the non-par cost of approximately 12 percent of the annual premium charged on the non-par contract. This offers conclusive evidence of the advantage of profit participation over the period for which, on the average, the policy will remain in force.

Actual Experience Basis

"It may be laid down as a general truth that non-par insurance cannot be carried at rates which in the long run will be more favorable than the actual experience of the company in operating the business. Were the opposite the case it is apparent that the guarantees entered into would be incapable of being fully discharged.

"On this principle, and also bearing in mind that immediate results are less favorable than they are likely to be, on the average, over the normal run of the policy, we should have the greater confidence in urging the public to identify themselves with profit-making policies in future years, so securing results in close harmony with actual experience. I am very gratified indeed to observe generally throughout our organization an improvement in the proportion of business submitted on participating plans."

No Canadian Interest Rate Limitation Is Now Expected

OTTAWA, CAN., July 3.—There will be no statutory limitation placed this session on interest rates either for mortgage loans, or for loans on life policies, it is indicated here. Bills to effect such restrictions, though initiated by private members, attracted much support, but were not favored by the government. As a compromise, the government secured from leading companies an undertaking to hold down the charge on policy loans to 6 percent. Premier Bennett indicated a 5 percent rate was possible within a short time.

T. Given, Arizona manager for the Kansas City Life, has resigned to become personal producer.

General Agent and Manager Must Set Proper Example

MANY NEED TO BE REPLACED

Manager Hewitt Says 75 Percent on Wrong Track in Addresses at Texas Conference

Standing in key position between home office, sales force and buying public, the general agent or manager, whether he likes it or not and does it poorly or well, is engaged in the business of "setting the example," H. C. Hewitt, manager Texas state agency at Houston for the Northwestern National Life, pointed out in an address at Waco before the third annual conference of Texas life insurance managers and general agents. The meeting preceded the annual meeting of the Texas Association of Life Underwriters. Mr. Hewitt was one of a number of outstanding speakers on a well balanced program prepared under the direction of Chairman Ricks Strong of Dallas, general agent General American Life.

Majority Needs Replacing

Seventy-five percent of general agents and managers are setting the wrong kind of an example, Mr. Hewitt said, only 25 percent getting their companies the sort of business they want, building the kind of sales forces they should build, giving the kind of service to policyholders to which they are entitled. "It would seem, therefore, that before American life insurance can be all that it should be, 75 percent of the field leadership has to be replaced," he concluded.

He exhibited the agency rating chart of the Northwestern National. New agents must score at least 325 points to secure a contract. He approved the new Texas law empowering the commissioner to eliminate unfit agents. Mr. Hewitt said general agents and managers must set good example in professional attitude, common honesty, clean speech, proper appearance, civic activity, company loyalty, policyholders' service, Chartered Life Underwriter attainments, high standards of business written, team work, friendly relations with associations and competitors, making money, working hard and creation and maintenance of a proper personal life insurance estate.

Quick Producers Successful

He quoted figures to show that agents who do not start quickly in production practically never succeed and eventually leave the business. Agents of the Northwestern National who produced within the first two months eventually wrote 92 percent of all the company's new business.

Ted M. Simmons, manager United States agencies Pan-American Life, spoke at the luncheon. Other speakers in morning and afternoon sessions included: F. M. Wakeley, Dallas, director Institute of Human Engineering, "How We May Attract More of the Better Type Men to Life Underwriting"; Kenneth Cassidy, Houston general agent Pacific Mutual Life, "Training the New Agent into Production"; Matthew Brown, San Antonio, "Progress of the C. L. U. Movement in Texas"; Ronald Vincent, Dallas, assistant manager Travelers, "Supervision Through Organized Selling and Time Control"; O. P. Schnabel, San Antonio manager Jefferson Standard Life, "Motivations?" and O. Sam Cummings, Dallas manager Texas state agency Kansas City Life, "The Field of Agency Management."

Commissioner R. L. Daniel of Texas was the principal speaker at the association meeting. Others included Hon. R. Smith, Houston, Jefferson Standard Life, "The Educational Activities of the Houston Association"; R. B. Shields, Dallas, Great National Life, "Planning Meeting Programs"; Grace

Leaders Argue New Deal Tax Effect on Insurance

NEW YORK, July 3.—Any fear that new deal tax measures designed to bring better living standards for the general populace will hurt insurance or the insurance business is based on a mistaken notion as to who owns the bulk of life insurance now in force, according to Leon Gilbert Simon, nationally known authority on insurance for estate and business purposes.

Mr. Simon recently took issue with David Lawrence, anti-administration Washington correspondent, whose syndicated column played up a letter from an unnamed wealthy Nebraskan who predicted that the so-called "soak the rich" taxes would cause wealthy people to cease buying insurance and so ruin the insurance companies and their agents because it would be economically unprofitable for them to continue their coverages. In a later article, Mr. Lawrence conceded Mr. Simon's point that the bulk of insurance policies are relatively small.

Doesn't Share Forebodings

Mr. Simon does not share Mr. Lawrence's gloomy forebodings about the fate of even small policies under what Mr. Lawrence terms "the present dictatorship" under which the United States is operating. Mr. Simon believes that agents should see to it that the overwhelming mass of policyholders realize that their insurance contains no taxation problem if the beneficiaries are properly drawn.

Far from being pessimistic about the future of insurance, Mr. Simon believes that the depression has opened new avenues for sales by convincing people that they can't get wealth without working for it.

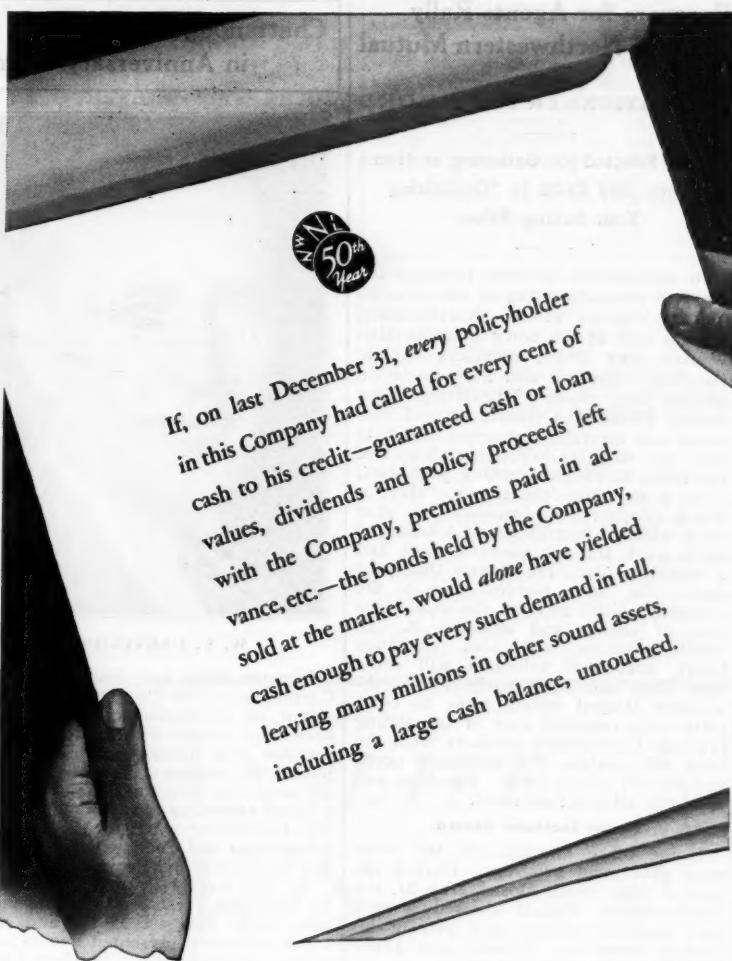
"The tendency is to be more conservative," he said. "People are more willing to save over a long period of time for future use. This, in reality, is a new definition of life insurance."

Ohio Bar Association Not to Push for Law Recodification

W. E. Benoy, chairman insurance law committee Ohio State Bar Association, spoke before that organization at its meeting in Columbus, explaining activities of his committee, which for several years has been considering a proposal to prepare recodification of insurance law. The committee feels this is very necessary, there being many duplications and conflicting provisions. However, due to the difficulty of interesting numerous conflicting interests, the controversial character of many subjects necessarily involved, and for other reasons, it is impracticable for the committee to continue the effort to revise and codify the laws as a whole.

The committee expressed opinion his work can be done only by a body having power to act, such as a legislative committee, or the insurance department. The work of the New York insurance department has praised. The committee's recommendation was adopted that the proposed codification work be discontinued but the committee be continued to study and suggest particular deficiencies in existing insurance laws.

Gloria Campbell, Waco, "The Duties of an Association Secretary-Treasurer"; Jul Baumann, Fort Worth, "Keeping Up Enthusiasm in an Underwriters' Association"; Harry Griffiths, Austin, "Ideas on Legislation"; Alva Carlton, Houston, "The Leaders' Round Table"; P. C. Creamer, San Antonio, "Building Membership in an Association," and J. C. Leissler, Dallas, co-publisher "The Southwest Insurer," "Newspaper Publicity: What It Is and How to Obtain It."



If, on last December 31, every policyholder in this Company had called for every cent of cash to his credit—guaranteed cash or loan values, dividends and policy proceeds left with the Company, premiums paid in advance, etc.—the bonds held by the Company, sold at the market, would alone have yielded cash enough to pay every such demand in full, leaving many millions in other sound assets, including a large cash balance, untouched.

HALF way across the continent from the Eastern seaboard, where the traditions and wisdom of old England were first transplanted to American soil, there has grown a financial community and an institution characteristic of the best of those traditions.

Upon this sound foundation, NWNL begins to build for a second half-century. Impartial life insurance experts have found in the Company's annual statements evidence that this second half-century will be comforting and profitable to NWNL policyholders. Here is a good place for part of your insurance. Your savings will be truly "Invested for Security."



NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, President

STRONG

MINNEAPOLIS, MINNESOTA

LIBERAL

In this manner the readers of TIME, the weekly newsmagazine, recently were told of the excellence of Northwestern National Life's financial position. This advertisement is one of several being run this year in TIME for the benefit of NWNL representatives.

Program for Agents Rally of Northwestern Mutual

INNOVATIONS INTRODUCED

Theme Selected for Gathering at Home Office July 22-24 Is "Organizing Your Selling Effort"

In announcing tentative program for the 59th annual meeting of the Association of Agents of the Northwestern Mutual Life at the home office in Milwaukee July 22-24, members of the standing committee and the association officers have made "Organizing Your Selling Effort" the theme. A well balanced and diversified program will help field men to keep thoroughly abreast of the times in effective selling procedure.

As a sequel to the theme, "Have a Track—Follow It," which last year dealt with all ingredients of a balanced day's work through planned work and a working plan, the theme this year covers the "sales builder" plan of the company, which includes the whole process of selling and analyzes it. In clinics, quizzes and idea exchange hours, successful salesmen will show how they use their exclusive Northwestern Mutual selling tools to complete each essential step of the selling process. Experienced speakers from the field will analyze life insurance needs and related selling ideas. Speakers will spotlight all practical ideas.

Large Increase Shown

Home office officials will tell company plans and progress. During the agents' year which closed May 31, the Northwestern Mutual showed a new paid business increase 14.2 percent including annuities. Volume was \$249,483,600, increase \$30,991,655.

"Good feeling and optimism should prevail at this year's annual meeting," said Grant L. Hill, director of agencies. "During the past two years the company has conducted an aggressive plan of advertising and coordinated sales promotion, which has played its part in consecutive monthly increases in business in the past year and a half. The field force has made good use of the tested sales aids and has accomplished splendid results."

Several innovations are on the program this year. Company and association honor agents will be greeted Monday morning in the trustees' room by Mr. Hill and other executives, where all new agents attending for the first time will be special guests and witness bestowing of awards. At the general session during the morning Mr. Hill will present honor agents.

New Sales Clinic Plan

Sales clinics will be conducted on a new plan this year. Four teams of two speakers each will present methods of selling life insurance to cover cash, thrift, income and retirement needs. The "flying squadron" of speakers will visit different rooms in which groups approximating 200 each will be assembled and complete the circle. All advantages and intimacy of smaller groups will be obtained. Another feature will be the "Ideal Exchange Hour" Tuesday and Wednesday mornings, the first devoted to "Proven Approaches," with 15 agents selected from 200, submitting their most effective approaches, after a brief description of conditions under which each was used. The subject Wednesday will be "Proven Closes" as used successfully by 10 agents selected from a large group.

Early Tuesday morning the first breakfast round-table of half-million and over producers will be held, another innovation. This group will select a member to speak on "Echo From the \$500,000 Club Round-Table," on the general program Wednesday morning.

Divided sessions will be held for city, rural and management groups Tuesday afternoon. F. N. Tornow, Buffalo, will

Chattanooga Officer in Anniversary Event



W. C. CARTINHOUR

Vice-president and Secretary W. C. Cartinhour, of the Provident Life & Accident of Chattanooga, June 20 celebrated his twenty-fifth anniversary as a member of its home office family, having joined the company in 1910. The anniversary event was made the occasion for a happy ceremony at the home office and Mr. Cartinhour was showered with the felicitations and good wishes of his fellow executives and department heads.

As the central feature, President R. J. MacLellan presented Mr. Cartinhour with the 25 year service pin and, as an additional token presented him in behalf of the company with a handsome white gold pocket watch appropriately inscribed.

President MacLellan, in reviewing Mr. Cartinhour's long connection with the company, recalled that he had gone to the Provident from the office of the Windrock Coal Company, of Windrock, Tenn., when the company was doing an accident and health business only, writing workers on the payroll deduction plan. During those early days, Mr. Cartinhour served in various capacities, literally learning the business from the ground up. Later, he helped to institute the railroad installment department, the commercial accident and health department and the life department.

be chairman city agents' session, at which "Business Insurance" will be discussed by A. B. Dygert, Minneapolis, and R. E. Perry, assistant secretary with R. F. Clendenin, Louisville, as chairman, rural agents will hear C. D. Diller, Van Wert, O., discuss the rural campaign and R. D. Buss, Centerville, Ia., on selling business men in small communities. Victor Plummer, Rockford, Ill., will preside at the management group meeting. Induction and training will be discussed by U. H. Poindexter, assistant director of agents, while sales promotion will be discussed by L. J. Evans, agency assistant.

The business meeting will be held Tuesday afternoon, preceding divided sessions, and the annual election Wednesday morning. Luncheons and business meetings will be held Monday noon by the Special & Soliciting Agents' Association, the District Agents Association, and the Supervisors' Association. Tuesday noon there will be luncheons for the C. L. U. group and Marathon Club. General agents, district agents and supervisors will have luncheon conferences Wednesday noon.

President Cleary to Speak

President M. J. Cleary of the Northwestern Mutual, will welcome agents at the opening session Monday and give the closing address Wednesday noon. Other company officials to appear, in

Effect of Cut in Interest on Farm Mortgages Weighed

FARM CREDIT AGENCY ACTS

Logical Effect Would Be to Drive Life Companies From Field But Practical Significance Small

NEW YORK, July 3.—While the logical effect of the Farm Credit Administration's reduction of interest rates from 4½ down to 3½ and 4 percent, effective this week, would be to cut life companies and other private lenders almost entirely out of the farm mortgage field, the volume of new loans is so small that as far as the present or the immediate future is concerned the result is of little practical significance.

Farmers are prospering more than they have in a long time but they are still chary of pledging their farms to obtain money they don't need acutely. This means that the more desirable type of borrower doesn't want to encumber his property with a loan no matter how low the interest rate, for he sees no return to be gained from expanding his operations.

Farm mortgage men believe that even at the attractive rates the FCA is offering—3½ percent for the first year and 4 percent for the next two years—there will be comparatively few farmers who will want to borrow money. It is believed that any real demand for new mortgage money must await a decided movement toward the buying of farms on the usual installment plan of so much down and the rest on a mortgage.

The former FCA rate was 4 percent up to 1938 and 5 percent after that.

addition to Mr. Hill, who will speak on "Yes, There Is a Challenge," after presenting company leaders Monday morning will be Edmund Fitzgerald, vice-president, who will speak Tuesday morning, and P. H. Evans, vice-president and actuary, who will talk during the afternoon on "What Every Man Wants, or the 20th Century Mystery." J. T. Gallagher, superintendent of claims, will be toastmaster at the banquet Tuesday evening, the principal speaker to be Maj. N. A. Imrie, editorial writer Columbus, O., "Dispatch," on "Victory by Surprise." Ray Chapman, assistant director of agencies in charge of advertising and sales promotion, is again in charge of arrangements for the meeting.

R. H. Pickford, Cedar Rapids, Ia., president Association of Agents, will preside at the opening session, extend greeting and outline the program. Victor Plummer, Rockford, Ill., vice-president, is chairman of luncheon arrangements and will preside Tuesday afternoon at the general session. Charles Beck, Toledo, chairman standing committee, is chairman of general sessions Tuesday and Wednesday mornings.

Chester Albright, Indianapolis, is in charge of the idea exchange hours; Charles Eckert, Columbus, O., of sales clinics; R. F. Clendenin, Louisville, of registration and rural group meeting of the divided sessions, and Fred Tornow, Buffalo, of the garden party Monday evening, the \$500,000 Club breakfast and city group divided sessions. T. W. Tuttle, Milwaukee, is secretary-treasurer of the association.

In addition to speakers at the sales clinics and idea exchange hours, G. B. Dorr, New York City, will speak Tuesday morning on "Locating the Door Behind Which There Is a Prospect." H. W. Shedd, Chicago, will speak Wednesday morning on "The Sales Builder."

A. L. Carroll, Dixon, Ill., appointed district general agent Minnesota Mutual Life by State General Agent T. S. Shattuc of Peoria. Mr. Carroll has been in life insurance organization work for 15 years. He will have 10 counties in the northwestern part of the state.

Hartford Companies Show Substantial Gains in 1935

MORTALITY IS DECREASED

Flood of Cash Continues on Annuities; Lapse Ratio Better, Loan Repayment Noted

A gain of approximately \$115,000,000 life insurance the first half of this year is reported by the five big Hartford companies. The ordinary departments show a slight falling off, according to John M. Larus, vice-president and actuary Phoenix Mutual, and the gain is due to increase in group business.

Mr. Larus says, "This year there is facing insurance companies the same difficulty concerning the investment of new funds at satisfactory rates in eligible securities that has been met with in recent years. Apart, however, from the interest situation, the life companies have enjoyed a most satisfactory year.

Mortality Rate Lower

Judging from reports collected from the larger companies, the mortality rate of policyholders has been about 4 percent lower than last year, and does not differ noticeably from the unusually good mortality enjoyed by the life companies just before the depression.

In addition to the increase in life premiums, more money than ever is being left with companies under annuity contracts, even though it was necessary for all life companies to reduce the returns on single premium annuities about the first of the year in order to synchronize them with the lowered rates on new investments.

Mr. Larus expressed opinion that the improvement in lapse ratio is an indication of improved business conditions. During the past six months there has also been a strong tendency to repay policy loans, and a drop in the demand for new loans.

Social Security Stimulus

"It is felt by many," Mr. Larus says, "that the current social security legislation, while it will provide moderate retirement incomes for certain individuals, will make people more conscious of the necessity for obtaining complete coverage for their dependent years and for those of their families.

"The year 1935 has proved that even a major depression cannot shake the institution of life insurance. Last year the five companies added about \$100,000,000 to their ledger assets, and if the first six months of this year are an indication of the whole year, during 1935, \$130,000,000 will be added."

Medical Section's 1936 Meeting

The Medical Section of the American Life Convention will hold its annual meeting in 1936 at White Sulphur Springs, W. Va., June 11-13. Dr. S. J. Streight, medical director of the Canada Life, is chairman; Dr. D. B. Craven, Aetna Life, vice-chairman; Dr. B. F. Byrd, assistant medical director National Life & Accident, secretary. Dr. W. E. Thornton, Lincoln National, is program chairman.

Shattuc Moves Office

T. S. Shattuc, Illinois general agent of the Minnesota Mutual Life, has moved his office from Chicago to Peoria to be in closer contact with agents in the territories outside Cook county. Peoria was selected due to better business conditions, decided increase in business having been recorded for the local office. W. J. Lawler, general agent for the company in Peoria for 13 years, has been appointed associate general agent by Mr. Shattuc. The two offices are being combined.

Sales Points Brought Out at Lincoln National Meet

USE OF THE MAIIS DISCUSSED

Generally Agreed That the Public Is Seeking Financial Security Above All Else

Many splendid business building ideas were developed at the round table discussion held during the Lincoln National Life anniversary cruise.

"What is direct mail advertising?" was discussed by Clyde Chaddick leading producer. "Direct mail advertising" he said "is the means of talking one to another via the printed page. It must be done in an understanding way. The salesman using direct mail is certain that his material will have this necessary touch if he uses prepared planned letters as sent out by the home office. If, however, he plans any of his direct mail himself, he should strive for the clarity that he secures in his oral speech. The reason the average man talks better than he writes is obvious," Mr. Chaddick said. "He talks more than he writes. The cure is plenty of practice in preparing your own direct mail if you wish it to succeed."

Preparing the Mail List

"The biggest part an agent plays in using direct mail successfully," Mr. Chaddick said, "is in preparing his mailing list. The greatest cause for failure in letter campaigns comes from lists that are poorly built. Some agents maintain large direct mail lists and others have much smaller lists. It is probable that the larger the list, the smaller the actual relationship between the agent and the prospect. Direct mail is much more successful if the lists used are small, 25 to 30 at a time, with each name representing a genuine potential buyer. In building any mailing list it is well to remember that the lists which are easy to get are the lists which are most frequently used. For this reason additional care is needed in building a group of names that are not constantly receiving large quantities of direct mail. The mailing list is the key. Be sure of it."

Public Desires Security Guarantee

"The greatest service that we as life salesmen can render to the public," said W. B. Seward, of Milwaukee, in discussing the five star annuity plan, "is to bring to their attention the advantages of a master program that will create a maximum immediate estate for the protection of dependents in the event of premature death, and the maximum life income for retirement at a reasonable age." Mr. Seward made the following statement: "What the public needs and wants today is a guarantee of their financial future. It is our job to explain the advantages of our plan to as many as will listen to our story. I carry my own policies with me so that I take the medicine that I prescribe."

Steps in Prospecting

Prospecting was discussed by two leaders, Geo. E. Bennett of the S. A. Bardwell Agency, of Cleveland, and J. Bon Davis, district agent, of Appleton, Wis. "Scientific prospecting is far more important than scientific salesmanship to my way of thinking," Mr. Bennett said. "A little more care in finding the type of man whom you know you can sell will greatly increase your volume of business. There are certain steps which must be taken in prospecting namely:

1. Finding leads.
2. Separating suspects from leads.
3. Turning the suspects into prospects."

Mr. Bennett also called attention to the very splendid prospecting possibilities that can be done by the salesman after his interview is actually started.

Mr. Davis in his discussion of prospecting took up three points, prospect

elimination in which he covered weeding out people unable to buy, people unprofitable to sell, and overworked suspects. Under too obvious prospecting he listed the elimination of offensiveness and the effectiveness of diplomacy. Third in his discussion was indirect prospecting. This is accomplished by building a reputation through selling yourself, selling your services, and making friends of your prospects rather than always making prospects of your friends. He also advocated the use of "bird dogs" or pluggers.

Salary Continuance Plan

Roland Mayer of St. Louis in his discussion of the salary continuance plan said "I think you will agree with me that the big problem of life is income, and always has been since the beginning of time. Lack of income has been man's problem down through the ages. How many times have you heard people say: 'We can't afford to buy this. We can't afford to buy that.' Why do they say it? Because they do not have the income."

He then outlines his plan for removing the lack of income obstacles to happy living, as contained in the salary continuance plan. He works on a two-call system. The first known as the "picture taking interview," and the second as the "closing interview." In the clos-

Families' Incomes Are Now on Upward Swing

GIVE QUESTIONNAIRE RESULT

Northwestern National Life Poll Brings Out Some Interesting Replies on Earnings

MINNEAPOLIS, July 3.—Showing a rise in their average annual earnings rate from \$1,743 in 1933 to \$2,055 in 1935, a detailed questionnaire survey of a representative group of 10,000 insured families reveals a marked improvement in their financial status in the past two years, according to the summarized report of an investigation by the Northwestern National Life. Fifty-one percent of the reporting families have had increases in income since the spring

of '33; 22.8 percent have suffered decreased incomes, while 26.2 percent report no change in their earnings.

Farmers were the most numerous of any occupation among those reporting increased incomes, undoubtedly due in considerable measure to benefit payments by the government, but salesmen were a close second, reflecting the general business improvement. Among those showing decreased earnings, teachers were the most numerous.

Average age of the heads of reporting families was 39 years, eight months; average number of children per family was 1.62. Eighty-two percent of the families own automobiles; 49 percent own their homes, the returns show, the homes averaging \$5,301 each in value. Half of the owners have homes free from encumbrances; 50 percent carry mortgages, averaging \$3,110 each in face amount.

San Francisco Office Wins

The San Francisco office of the Phoenix Mutual under the management of C. W. Peterson won the "Spring Drive" production contest during which the office was in competition with the Los Angeles, Seattle, Chicago and St. Louis offices of the company. Business for the first six months is 20 percent ahead of the same period of 1934.

GUARDIAN LIFE NEWS

Guardian Life to Celebrate Company's "Diamond Jubilee" at Convention

Leaders of The Guardian Life field organization will attend the Company's 75th—"Diamond Jubilee"—Convention at the Waldorf-Astoria Hotel, New York City, on July 17th, 18th and 19th.

A program replete with matters of interest, information, and entertainment has been arranged.

On July 20th, members of The Guardian Life President's Club will sail for their meeting—to be held this year in Bermuda.

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Established 1860

50 UNION SQUARE

NEW YORK CITY

GUARDIAN OF AMERICAN FAMILIES FOR 75 YEARS!

Illinois Insurance Code Bill Is Killed by the Senate

FOURTH VOTE IS DECISIVE

Special Session of Legislature May Be Called and If So Measure May Be Reintroduced

Just before final adjournment of the Illinois legislature, the insurance code bill was brought up for a fourth and final vote in the senate and was defeated when the necessary 26 votes could not be mustered. The vote was 21 to 10. The bill previously had passed the house overwhelmingly.

It is likely that a special session of the Illinois legislature will be called in three or four months and if so another effort will undoubtedly be made to pass the code bill, perhaps with modification. Insurance Director Palmer of Illinois, after the senate defeat, said the action was disappointing but did not mean permanent defeat.

Only one of the several complete recodifications of state insurance laws that were considered during this year's legislative season, was passed. That was in Indiana where few changes of a controversial nature were proposed. Complete codes were offered in Arkansas and Missouri and were defeated.

Original Draft Provocative

There has been intense interest in the Illinois code situation since the first of the year when the original draft was printed and hearings were held in Chicago before the legislative code commission. The original draft was exceedingly provocative and if enacted, would have affected practically every one connected with insurance, either directly or indirectly. The code was progressively modified, however, and the active opposition of one after another of the insurance interests was withdrawn, until at the last about the only anti-code crusaders were the National Board of Fire Underwriters and the Illinois Bankers Association, together with London Lloyds.

The fire companies some time ago launched an offensive to kill the code and kept up the opposition until the end. The provision for licensing London Lloyds would have greatly restricted the activities of the London Underwriters in Illinois and this is distasteful not only to London Lloyds and their brokers, but to the banks, who can get so-called bankers blanket bonds at cut rate from Lloyds. About the only active supporters of the code among insurance organizations were the Illinois Insurance Brokers Association and the Illinois Association of Insurance Agents. The life insurance agents were satisfied with the code but they were not working actively in its behalf.

Life Companies Noncommittal

The life insurance companies were noncommittal. There was rather general regret among insurance men personally at the defeat of the code, since they felt that it embodied many highly desirable features.

A good many critics, however, objected to the code on the general principle that it vested the insurance director with too much discretionary and arbitrary power. There was no fear that Mr. Palmer would exercise those powers injudiciously, but there was fear that a venal commissioner would use the power to his own personal advantage.

That criticism seemed to be rendered the more valid because on June 8 the circuit court of Sangamon county handed down a decision declaring unconstitutional section 11 of the fire and casualty insurance agents qualification act under which the procedure for revocation of license is outlined.

The court found that section offensive because it delegated arbitrary power to a ministerial officer.

The political situation in Illinois un-

Strong Slate Named by Los Angeles Association



HAROLD G. SAUL

Harold G. Saul, general agent for the John Hancock Mutual, has been elected president of the Life Underwriters Association of Los Angeles, succeeding John R. Mage. He has been most active in association affairs. He has served as president of the Life Insurance Managers Association, as director of the Life Underwriters Association and as chairman of several major committees. During the past year he served as vice-president of the association and has been chairman of the life insurance committee of the chamber of commerce. As chairman of the program committee of the Life Underwriters Association, he brought to Los Angeles 46 speakers on 24 different programs.

Mr. Saul started in the business in Boston as an agent for the John Hancock in 1919. A year later he was made agency supervisor and remained in that position until 1925. Then he was given recognition by the home office and was made general agent for southern California.

Phinehas Prouty, New York Life, is the new vice-president; A. A. DeWar, Equitable of New York, second vice-president; H. A. Corless, Mutual Life, treasurer; R. A. Brown, Pacific Mutual, national committeeman. The directors are V. J. Adams, Reliance Life; R. D. Jeffrey, Provident Mutual; F. S. Logg, New York Life, and John R. Mage, Northwestern Mutual.

doubtedly played a part in the defeat of the code. The Cook county democracy is reported to be rather cold to Mr. Palmer because he is not a conventional Democrat.

Wisconsin Licenses Non-Residents

MILWAUKEE, WIS., July 3.—Non-resident life insurance brokers may now be licensed in Wisconsin under an amendment by the present legislature to the statutes relating to resident insurance agents and filing fees. For each certificate of authority issued to a non-resident life insurance broker, the fee is \$10, and a separate certificate shall be required for each company represented by a broker. The fee for resident agents has been and is \$1, also requiring separate certificates for each company represented. The amendment further provides that the commissioner of insurance may license non-resident brokers to solicit in this state applications for life insurance. The new law was passed to overcome the difficulty of reciprocal features of laws of other states which prevented Wisconsin brokers from obtaining certificates and soliciting applications as non-resident life insurance brokers in such other states.

Mr. Senff is due \$991 and Brown \$50. The reorganization act placed their annual salary at \$5,000 and \$4,200, respectively.

L. O. M. A. Meeting Program Is Announced by Rowland

MANY NOTABLES TO SPEAK

Three-day Session to Be Crammed With Valuable Addresses by Company Officials, Specialists

NEW YORK, July 3.—The Life Office Management Association will have the following speakers on its program, Executive Secretary F. L. Rowland announces:

Monday morning, Sept. 30: Chairman, G. W. Skilton, comptroller Connecticut General; address of welcome, W. Howard Cox, president Union Central; presidential address, Mr. Skilton. William Breiby, of Fackler & Breiby, consulting actuaries, New York City, will close the session.

Program First Afternoon

Afternoon: Chairman, E. E. Reid, managing director London Life; Ordway Tead, lecturer personnel administration, Columbia University and author of "The Art of Leadership;" committee report on home office personnel developments, S. E. Mooers, secretary Acacia Mutual Life, chairman; Monday evening, association banquet.

Tuesday morning: Chairman, Charles Hommeyer; R. D. Barker, industrial engineer, Cincinnati; John Mitchell of John Mitchell & Associates, New York. Afternoon: Chairman, R. W. Simpkin, assistant superintendent of agencies Connecticut Mutual; E. R. Walker, agency department State Mutual; W. F. Hagerman, comptroller Minnesota Mutual; Mr. Simpkin; P. D. Miller, superintendent comptroller's department, Connecticut General; L. D. Fowler, general agent, Connecticut Mutual, Cincinnati.

Events Set for Wednesday

Wednesday: Chairman, G. A. Hardwick, vice-president and comptroller Penn Mutual; H. R. Berlin, general sales manager, acoustical department Johns Manville Co., C. F. Williams, president Western & Southern Life.

Thursday, seminar program: Chairman, C. K. Blackburn, educational secretary Life Office Management Association; H. H. Hamilton, assistant superintendent of agencies Union Central; R. R. Coombs, assistant secretary Massachusetts Mutual; W. P. Barber, Jr., associate actuary Connecticut Mutual.

Afternoon, E. W. Barnhart, chief commercial educational service, Department of the Interior; R. W. Beeson, secretary, Liberty National Life; C. M. Taylor, assistant secretary Provident Mutual.

The Union Central and Western & Southern will be hosts to the association Tuesday and Wednesday, respectively, at luncheon.

Get Back Salary

FRANKFORT, KY., July 3.—Gemmill Senff, deputy insurance commissioner, and Charles Brown, department auditor, are entitled to the difference between the salary they received as commissioner and deputy and the salary they would have received under the reorganization act of 1934, W. R. Atkisson, assistant attorney general, said in an opinion for State Auditor J. Dan Talbott.

Mr. Senff is due \$991 and Brown \$50. The reorganization act placed their annual salary at \$5,000 and \$4,200, respectively.

S. J. Keiser General Agent

S. J. Keiser has been appointed Baltimore general agent of the Bankers National Life. He has had long experience as a successful organizer and personal producer. He is president of the Zionist Organization of Maryland.

Early Production Factor With the New Agents

An up-to-date recruiting survey, covering the business experience of 608 full-time life agents who started in business during 1934, has been completed by the Life Insurance Sales Research Bureau of Hartford. This survey was developed along the lines of a similar recruiting survey last year and emphasizes the fact, previously disclosed, that more than 90 percent of the business of new agents was sold by men who got their first policy during their first three months under contract.

The present report shows that 93 percent of the total production of the new agents came from those starting production in the first three months they were under contract and 7 percent from those who started in the fourth, fifth and sixth contract months. Last year's study, based on recruits in 1933, showed that 94 percent of the new business came from early starters.

The present study is based on agents in Canadian companies. As was the case last year, the Research Bureau will follow this with a survey later in the year based on agents of United States companies.

Coast Leaders Make Issue of Rule Barring Agents

SAN FRANCISCO, July 3.—As the result of failure of a committee representing the San Francisco Life Underwriters Association, headed by William R. Spinney, to secure an interview with the manager of the Coast department of one of the large soap manufacturers, in order to discuss a ruling of the office that "life insurance men are never admitted," it is expected that before the end of the week all data will be placed in the hands of T. M. Riehle, president National Association of Life Underwriters, for action with the eastern offices of the soap company. Mr. Spinney points out that the resentment is occasioned by the arbitrary and discourteous treatment accorded agents. At the last meeting of the directors of the association it was voted to make another effort to contact the manager. Failing in this, the board is at present voting by mail as to whether the matter shall be placed before Mr. Riehle.

Kansas City Group Elects

The Kansas City Association of Life Underwriters at the annual meeting elected these new officers: President, J. F. Trotter, Mutual Life of New York; vice-presidents, V. W. Wiedemann, Sun Life of Canada, and D. R. Alderman, Kansas City Life; secretary-treasurer, H. E. Kincaid, Massachusetts Mutual. Directors: Albert Drake, State Mutual; H. T. Himes, Aetna Life; W. J. Slack, Metropolitan; O. J. Neibel, Penn Mutual; George Maltby, Equitable of Iowa; B. B. Boyd, Northwestern Mutual; T. J. Johnson, Equitable of New York, and Willard Ewing, Provident Mutual, the retiring president. The new by-laws recommended by the National Association were adopted.

Midland Mutual Indiana Meeting

An agency meeting of the Indiana state agency of the New England Mutual Life, which is in charge of Mayfield & Bowen, state agents, was held in Indianapolis Friday afternoon and evening with 20 agents from all parts of the state in attendance. President G. W. Steinman, J. A. Hawkins, manager of agencies, and R. S. Moore, assistant manager of agencies, were in attendance from the home office. Several prominent bankers were guests at the dinner and evening session. The agency has been in operation for only 90 days but has written over \$400,000 in paid business in that time and now has more than 20 active agents in the field.

July 5, 1935

LIFE INSURANCE EDITION

9

State Insurance Will Be Theme at Convention**HARRY J. MORTENSEN, Wisconsin**

Commissioner H. J. Mortensen of Wisconsin will be one of the chief speakers at the forthcoming meeting of the National Convention of Insurance Commissioners at Seattle. He has as his subject "State Insurance." Wisconsin has a state life insurance fund and also a fire insurance fund. Mr. Mortensen has taken an active part in the administration of his office and he is regarded as a real student of state supervision.

Michigan Seeks Information on Unclaimed Life Funds

DETROIT, July 3.—Attorney-General H. S. Toy of Michigan has made a formal request to the general agents or managers of all life companies to supply him with a report of all funds which have not been paid to designated beneficiaries because of the inability of the company to find the beneficiaries or their heirs. "These moneys are properly escheatable to the state board of escheats as trustee for the state of Michigan," said Mr. Toy. "Such funds are held in trust for the lawful claimant without intervention of a statutory limitation, and for the heirs of such lawful claimant for a period of ten years. Corporations from which moneys have been escheated are fully indemnified against liability. Ultimately, these escheated estates are appropriated by the state of Michigan for the primary school fund from which is derived a portion of the necessary maintenance and support for the primary school system."

Mr. Toy holds that a preliminary survey shows that a large number of benefits are being held for payment. The escheat board apparently would have to prove the missing beneficiaries were residents of Michigan.

Thompson Takes Action

H. B. Thompson, executive secretary Associated General Agents & Managers, notified all general agents and managers to ask their home office legal departments for opinions, and to forward such opinions to the secretary's office. The legal department of one of the large eastern companies reported that such a demand had never before been made upon insurance companies.

Mr. Thompson points out that in the case of a single premium policy with dividends left to accumulate and increase the face of the policy, the company has no reason to get in touch with the policyholder over a long period of years in many cases and such policies might conceivably be construed to come under the act, since under its terms a depositor who has not been heard from for seven years may be considered dead.

This provision was designed, of course, for bank depositors but might be construed to mean assured.

Conditions in Nebraska Improved

General conditions are much improved in Nebraska and the agricultural situation is the best it has been for a number of years, Col. C. B. Robbins, manager American Life Convention, reports upon the basis of conferences with executives of Omaha and Lincoln life companies. There has been plenty of moisture in the region this year, and although the spring was cool and wet, this was favorable to small grains. While it held back the corn crop, there appears to be a good stand of corn in the section. Agricultural conditions in Nebraska are definitely improved, Colonel Robbins found on his visit in the state. The prospect for life insurance sales, especially among farmers, therefore appears good this year.

T. P. Rogers, 70, for the last 31 years general agent in eastern Iowa for the Bankers Life of Des Moines, died at his home in Cedar Rapids from a heart attack. He was head of the Bankers Life eastern division until 1931 when he sold out to his son-in-law, Wallace Darling of Cedar Rapids, retaining an interest in the business.

Farewell and Hail Sounded at the Iowa Festivities**FEDERATION BACK OF AFFAIR****Retiring Commissioner Clark and the Incoming Official, Ray Murphy, Are Highly Honored**

DES MOINES, July 3.—Ray Murphy, Democrat, and E. W. Clark, Republican, incoming and outgoing Iowa insurance commissioners respectively, were feted at a banquet Monday night sponsored by the Iowa Insurance Federation. Mr. Murphy in a brief talk asked the same cooperation of all insurance people as was given to his predecessor in office and pledged courteous, impartial service. B. F. Kauffmann, president Bankers Trust Co., Des Moines, in the principal address declared the country is probably farther out of economic difficulties than the general public realizes. The movement of durable goods the past year is doing more than any other thing to supply employment. He anticipated that a more definite improvement would be manifest after the adjournment of the

present Congress. John T. Hutchinson, secretary Insurance Federation of America, New York, explained the functions while Clyde Helm, secretary Minnesota Federation, gave an account of the achievements of that organization. Commissioner Clark gave a peppy discourse, drawing on his experiences in office. His talk was replete with much encouragement to the incoming commissioner. New and retained deputies and other department officials were introduced to the audience. P. H. Cless, outgoing first deputy commissioner presented Mr. Clark with an inscribed scroll as a mark of esteem of the office. Clifford Depuy, publisher "Underwriters Review," proved an able toastmaster.

Will Discuss "Seizure" Decision

Federal Judge J. Symes of Denver will speak at the luncheon meeting of the Denver general agents and managers association July 8 and will discuss his decision on the Brown Cannon case. In that case Judge Symes held the government could seize and offer for sale life insurance policies of about \$50,000 on Mr. Cannon's life. The federal government asked for their sale in part payment of income taxes alleged to be owed by Mr. Cannon. The decision is believed to be the first of its kind ever handed down.

The Making of a General Agent

THE INSURANCE COMPANY

The Making of a General Agent

This Company has come to the conclusion that General Agents are not just picked. They are made.

We believe that with rare exceptions it is folly for a man to undertake the responsibility of a General Agency without adequate background and training.

Just why we believe this and what our plans are for giving the prospective General Agent this adequate background and training is all set forth in a booklet entitled, "The Making of a General Agent".

This booklet was prepared primarily for the information of men in our own organization who are interested in becoming General Agents. However, we should be delighted to send a copy of it to anyone who is interested.

ADDRESS C. C. FULTON, JR., AGENCY VICE PRESIDENT

HOME LIFE INSURANCE COMPANY • 256 BROADWAY • NEW YORK

Ethelbert Ide Low,

Chairman of the Board

James A. Fulton

President

Some Companies May Have Participating Department

TO OFFER MORE FACILITIES

Officials Investigating the Advisability of Writing Both Stock and Mutual Policies

It would not be surprising to see some of the companies that are now writing non-participating business only establish participating departments. Some have this under consideration and announcements may be forthcoming in due season. Those that are considering the subject feel that in having a department of this kind there should be a definite rule established by the directors as to the limit of participation of stockholders in the participating profits.

Naturally the opening of a participating department means that dividends will be paid to policyholders. Company executives say that field men find a certain amount of participating sentiment among insurance buyers. Many have made up their minds about it and desire mutual policies. Then again the higher rates on mutual business give a more adequate margin inasmuch as interest rates are down and the savings from interest are greatly reduced. The main object, however, in opening a department of this kind is to give agents additional facilities and to have a line of contracts that appeal to those that desire participation.

Lutheran Brotherhood Meet

General Convention Was Held, the Company Being Found to Be in Excellent Shape

The ninth general convention of the Lutheran Brotherhood was held last week in Minneapolis. H. L. Ekern, Chicago and Madison, Wis., insurance attorney who is president was in charge of the meeting. The by-laws were amended changing the convention to quadrennial meeting hereafter. The number of directors was increased from 11 to 12. Those whose terms expired were all re-elected: H. L. Ekern; J. A. O. Preus, Chicago; C. H. Boyer, Boalsburg, Pa.; P. S. Peterson, Underwood, Iowa. The new director is J. A. Jensen, Janesville, Wis. All the officers were re-elected. L. L. Johnson, vice-president and treasurer, who is one of the very efficient men of the organization, was chosen executive vice-president and treasurer. It was reported that as of July 1 the insurance in force was \$48,500,000. It is expected that by the end of the year the amount will exceed \$50,000,000. The Lutheran Brotherhood is one of the well regulated legal reserve fraternals, licensed in 26 states and Canada showing a steady and vigorous growth.

Deputy Can Accept Service

DES MOINES, July 3.—Acceptance of service of a notice of suit by a deputy insurance commissioner on behalf of an insurance company located outside the state is a sufficient compliance with the laws of Iowa, the Iowa supreme court held in *Woodmen Accident vs. District Court of Marshall County, and Mutual Benefit Health and Accident Association vs. Marshall County*, actions in certiorari.

The act of the deputy was in behalf of and for the commissioner, the court held. Deputy Commissioner Leon Penquite in accepting service affixed a rubber stamp with the name of the commissioner and added his own name as deputy. Attorneys for the companies in the lower court entered a special appearance to question jurisdiction. The lower court dismissed the special appearance and the companies appealed.

Son Succeeds Father in Agency



H. D. EMMERT



E. S. EMMERT

H. D. Emmert became sole general agent July 1 for the Northwestern Mutual Life of Milwaukee at Tulsa, Okla., with retirement of E. S. Emmert, his father, senior partner of E. S. & H. D. Emmert, who has been under contract with the company 41 years. E. S. Emmert made his first contract in 1894 under J. C. Brookings, district agent at Pueblo, Colo. In 1904 he and his brother, the late R. G. Emmert, moved to Indian Territory, now Oklahoma.

The brothers worked together for 25 years, until the death of Robert in 1929. E. S. Emmert continued as general agent until April 1, 1931, when his son was appointed partner-general agent for eastern Oklahoma and parts of Arkansas. Meanwhile the agency headquarters were moved from Muskogee to Tulsa.

At the repeated request of E. S. Emmert, the Northwestern Mutual years ago considered favorably and embodied in its contract both the automatic premium loan feature and the clause allowing the option settlements to apply to the cash value.

The new sole general agent, H. D. Emmert, attended Illinois and Wisconsin universities. He served as district agent for the Northwestern Mutual at Okmulgee for six years, having been in Tulsa for a time previous to the removal of the agency headquarters to Tulsa. After acting as an assistant to his father, he was admitted, to the general agency partnership in 1931. The father E. S. Emmert, will devote himself in future to personal production and handling his various affairs.

H. C. of L. Is Blamed for Current Production Slump

Some of those who have been seeking an explanation for the current slump in life insurance production that has been encountered for the past couple of months, voice the belief that the high cost of living may be very largely to blame. The increase in the cost of groceries alone may consume that portion of a man's income which might otherwise be available for life insurance. Where the wife is given an allowance, it has been necessary for the husband to increase it, to take care of the increased prices.

Another factor seems to be the increased sale of automobiles and other luxuries or quasi luxuries. People have purchased automobiles under contract and have had to figure closely to keep up with the payments, particularly in view of the increased cost of food and very often with an increase in the rent.

It would appear that the margin of income available for life insurance has been reduced and it is not likely to be increased until the wage level is increased.

Canadian Meeting Program

The annual meeting of the Association of Superintendents of Insurance of the Provinces of Canada will be held at the Fort Garry hotel, Winnipeg, Man., Sept. 3-6. R. P. Hartley of New Brunswick is president. The agenda is as follows:

Review of 1935 provincial legislation, particularly the uniform amendments to the uniform life insurance act adopted by, but not yet effective in, British Columbia, Manitoba, Ontario, New Brunswick and Prince Edward Island.

Movie and Small Camera Useful in Showing Fraud

IMPORTANT AID IN CLAIMS

Superintendent Anstett of New York Life Inspection Department Shows Many Uses

NEW YORK, July 3.—Motion pictures of disability claimants working or otherwise visibly disproving their claims to total and permanent incapacity are being more and more widely accepted as evidence by courts and constitute a valuable aid to life insurance companies, C. E. Anstett, superintendent, department of inspection, New York Life, said at the Eastern Claims Conference.

His talk was supplemented by the showing of movies from files of the New York Life, Equitable Life of New York and Guardian Life of New York. Mr. Anstett also discussed the value of the small precision camera of the Leica type for making still pictures, for example, at the scene of an accident or suicide.

Marked Effect on Jurors

The effect of the motion picture in a jury trial is extremely striking, he said, citing several examples where a plaintiff had walked into the court room with a decided limp and then seen flashed on the screen pictures taken after the date of the alleged injury in which he was striding along with no impairment whatever.

For still pictures Mr. Anstett strongly recommended small precision cameras as less apt to make the assured feel that any particular importance is being attached to the photographs. The company's representatives are equipped with these cameras and the necessary extra equipment such as telephoto lenses and light-meters, the latter being particularly necessary to insure proper exposure.

Some of Practical Uses

Following are some of the uses Mr. Anstett listed for still pictures: (1) Garage—carbon monoxide—a witness illustrating position of deceased's body, tools, etc. (2) Disappearance—enlarged photograph of insured taken from group picture. (3) Double indemnity claim—mechanism of freight elevator. (4) Suicide—insured jumped from attic dormer window. Showed various objects deceased had to climb over to reach window sill. (5) Suicide—revolver—showed sofa on which insured sat, bullet hole through door, direction of bullet, etc. (6) Suicide—personal effects and remains of insured who destroyed himself by dynamite. (7) Various copies of official police pictures. (8) Shot gun and barbed wire fence—witness illustrating position of insured's body and shot gun when found. (9) Substitution—copy of hospital picture showing deceased's right leg three times normal size. (10) Drowning—truck plunged into river—approach to bridge, showing it is impossible to have accidentally missed it, as claimed. (11) Identification—picture of deceased taken in undertaking establishment. Insured from Idaho died suddenly in New York City. (12) Disappearance—page of hotel register. (13) Drowning—showing where occurred. (14) Drug-store prescriptions—readable copies.

Nelson Is Roanoke Manager

Joseph C. Nelson who has been a representative of the Connecticut General since 1932, associated with the Norfolk, Va., agency, becomes manager of that agency following the resignation of W. H. Hudson. Mr. Nelson has had ten years of life insurance sales experience. He has been consistently a member of the honor roll of leading producers since going to the company.

The American Life of Alabama is going to remodel a downtown building recently acquired in Birmingham for its home offices.

Serious Effects Expected from U. S. 4 Percent Loan

FEDERAL COMPETITION KEEN

Company Officials, Loan Agents Predict Liquidation of Many Farm Mortgage Investments

Reduction of interest on new government farm loans to 4 percent is a move which inevitably will result in liquidation of many of the finest farm mortgage loans of life companies, interviews with a number of company executives and loan agents indicate.

The companies have been finding the old rate keen competition, some executives having declared in the past that the activities of federal loan agencies and state mortgage moratoria had practically driven the life companies from this superior field of investment. The companies had experienced considerable liquidating of good loans when the old interest rate was in effect. The new low rate, it is anticipated, will greatly increase this competition of government with institutional lenders, and will accelerate liquidation of private loans. These effects, life company men agree, may prove to be very serious.

See Disastrous Effect

Opinion of a number of company officials is that the new rate will drive life companies out of the farm loan field if the conditions up to the present had not done so.

Most company loan agents are uninformed as to details of the government's new plan which went in effect July 1. The acts controlling government farm mortgage lending have been amended many times and are a crazy-quilt of enactments which requires a lawyer to interpret.

However, it appears that the new plan calls for an interest rate on all new and old loans of 3½ percent for one year; 4 percent for the next two years, and thereafter the interest rate stipulated in the original mortgage. This, apparently, applies to refinancing, the practice which will affect companies' farm loans in force.

Rate on New Loans

For all new loans on farm property not now mortgaged, it seems the rate is 4½ percent, although loan men have heard that the rate is to be or has been reduced to 4 percent. The existing federal land bank and commissioner's mortgage loans vary in interest rate from 4½ to 5 percent, it is said.

Life companies' farm mortgage loans as a rule are for five or 10 years, although in years past many loans on amortized basis were made up to 30 years. As a result of the large proportion of short term loans, the companies' farm mortgage investments will suffer considerable exposure to the hazard of liquidation through use of federal money.

"The day of the 5 percent farm loan seems to have gone," one loan department officer comments, "except on land transactions where the delay incidental to government loans would be ruinous." He said many life company farm mortgage loans have been made with the "on or before payment" clause, which in the present situation permits farmers to liquidate them with federal money.

Farmers are very likely to exercise the privilege of paying off in order to save 1 percent or more in interest rate, he said. Unfortunately, this trend will affect the better class of loans for the federal land banks do not operate on a distress basis, but demand reasonably good security.

Most of the loans made in the last five years have had a wide open privilege of payment before maturity, whereas prior to the boom of 1928-29, borrowers were permitted to pay up to one-fifth of the principal in any one year on a five-year loan.

The government's new plan comes at

RECORDS

Penn Mutual Life—Gain in paid business in June was 20th consecutive month with plus sign for life insurance, not including annuities. Every month since May, 1933, with the exception of a 1 percent decrease in October of that year, has shown a gain.

Peoples Life, Ind.—June largest month in written business in four years with \$1,124,000, an increase of 30 percent.

Detroit—Nineteen Detroit agencies affiliated with the Associated Life General Agents and Managers produced \$5,414,112 business in May as compared with \$7,323,269 in April, a drop of \$1,909,157 or 26 percent due, according to H. B. Thompson, executive secretary, chiefly to the rapidly increasing living costs as compared with earnings.

United Benefit Life—Shows 29 percent increase in new business for May.

Security Mutual, N. Y.—The largest amount of new business ever submitted in a single day was turned in June 17 as a tribute to Superintendent of Agencies F. L. Mable, on the tenth anniversary of his appointment to his position. The concentrated effort for this outstanding record was suggested and engineered by George H. Dann, general agent in the home office territory for the past 28 years.

Midwest Life, Neb.—New May business totaled \$426,000, an increase of 40 percent.

Seattle District, Provident Mutual Life—during first six months paid for total equal to that for entire year of 1934, General Agent William Peterson of Washington reports. Policies averaged \$6,000. Average increase 134 percent.

Abner Hend, Provident Mutual Life, Milwaukee—Increase of 189 percent in new paid business for first five months.

Chester O. Fischer, St. Louis, Massachusetts Mutual—In May led all company's agencies in the number of policies delivered with 162 policies totaling \$850,000. Second high in the money volume of policies and third in volume for year. Total increased \$141,000. Total for year \$194,800 ahead. Miss Harriet L. Pickett of the Fischer Agency of the Massachusetts Mutual Life, holds first place among all of the women agents of the company in May.

E. W. Snyder, Massachusetts Mutual, Cleveland.—The agents showered General Agent Snyder on his 64th birthday, greeting him with 31 applications for \$185,838. There were 26 agents doing the work. The week's total was 50 applications for \$266,189. This puts June ahead of June last year. The Cleveland agency was the third highest in delivered business for the company in May, with a gain of \$127,323 over the same month last year.

Baxter Maddox, Georgia, Connecticut Mutual—Best month in paid business in history of territory. Five-month volume 38 percent ahead.

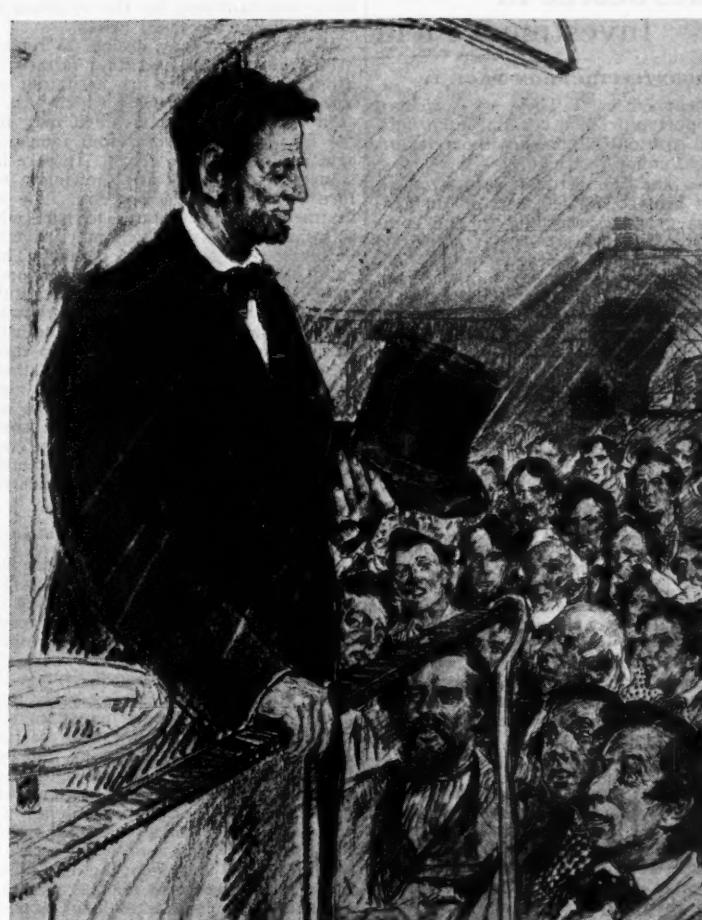
Morton & Morton, St. Louis, Connecticut Mutual Life—Business 190 percent ahead for year.

Frankel Brothers, Cleveland, Prudential—Led in production among the ordinary agents of the Prudential for the entire country for first five months. The life department is managed by Stanley Frankel.

Smith Brothers, Omaha, Bankers Life of Nebraska—Exceeded quota for May by 70 percent. Lloyd Smith second among national producers.

a time when for many companies farm mortgages seemed to offer less difficulties than for some time. Some companies have been increasing their farm loans, and also it was reported that many farmers had been wiping out back interest and there was less trouble from foreclosures.

There is a substantial sentiment that the federal land bank bonds are not worth the current market price but are being bolstered by the government. If this support should be withdrawn, it is said, the bonds would slump in value. The Farm Credit Administration has supervision over the federal land banks.



Reproduced from an original Jay Hambidge drawing from the picture collection of The Lincoln National Life Insurance Company Museum, "Lincoln's Farewell Address at Springfield, Ill."

RESPONSIBILITY

UPON leaving Springfield for the nation's capitol, Lincoln humbly realized his tremendous responsibility and said, "I now leave . . . with a task before me greater than that which rested upon Washington."

So, life underwriters in their modern capacities as financial advisers to the masses must be able to say with Lincoln, "What I did, I did after a very full deliberation and under a solemn sense of responsibility."

It is the aim of this Company to recognize constantly its own responsibilities, and to teach its representatives to recognize theirs. Thus can its field men build confidence, prestige, and a quality clientele.

Plan to attend the National Association of Life Underwriters Convention, Des Moines, Iowa, week of September 16, 1935.

The Lincoln National Life Insurance Company

FORT WAYNE, INDIANA

ITS NAME INDICATES ITS CHARACTER

Issues Scarce in Investment Field

(CONTINUED FROM PAGE 1)

vestment officers. They are watching all opportunities and deciding each individual case on its merits without regard to rigid policy restrictions.

The one competitive factor which might lead companies to tread on dangerous ground, according to one commentator, is the appraisal. It is the one factor where it is easiest for one to fool himself graciously. An interest rate, the term of the loan, the principal payments required, all are jagged and perpendicular on the landscape. They are definite. They will be seen. But it is easy in the appraisal policy to have rather wide differences not easily measured against any definite standard. The appraisal is the easiest place to do a little kidding of oneself. In the opinion of this executive, this is the one factor upon which companies may even now be advancing more nearly to dangerous ground in their competitive seeking of business.

Rumors sometimes come in that this or that life company is financing an issue of bonds for a single business enterprise, not only taking the entire issue but even stimulating the borrowing to a larger amount than might be necessary to refinance an outstanding higher rate issue. If any companies have done financing of this kind, they are not located in Hartford.

Improved Real Estate Market

The most hopeful factor in the investment field is the improved real estate market. This is not manifested much in new construction although a few new residences are being built and companies are eager to take loans on these when they measure up to standard requirements. Farm loans are scarce because of government competition. But for both city property and particularly for farms, the companies are disposing of properties they have been compelled to take over at an increasing rate of speed and at constantly better prices. The companies have carefully calculated the amounts they have tied up in properties taken over, the amount of the original loan, accrued interest, supervision expenses, taxes and all other charges. Sales now being made show that companies are getting more than all of these costs out of their sales in addition to placing the loan on a new, more substantial foundation and substituting a dead investment for a living one. In every office, the conviction that actual losses sustained will in the ag-

gregate be more than offset by gains is being substantiated by the evidence of daily sales at increased prices.

While no company desires to remain in the business of operating farms and properties, companies are hesitating today to part with property which is held at a book value figure which may net the company anywhere from four percent to 6 percent or above. In rare instances, good farms are showing a return of more than 6 percent. The investment officer hesitates to part with this farm for cash which may have to be invested at less than 3 percent. That is to get an immediate return upon funds equal in amount to the return from the farm, he may have to get twice as much money as the company actually has tied up in the farm. While there are not many cases of this kind, there are some and with the real estate market rising, many of these properties are not going to be picked up at a song. They may not be sold until a very good price is obtained or until the investment market beckons with a louder voice for company cash.

Companies Compete with Banks

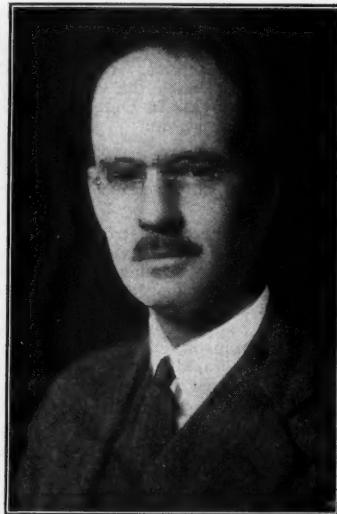
Only general business improvement will ease competition among the money lenders and bring about an increased interest rate. At the present time, insurance companies are having to compete with banks for loans which normally the banks would not touch. Thus the banks today may be issuing short term notes for aiding large industries, the notes bearing a very low interest rate. But when business conditions improve, the banks will be able to lend their money at higher rates on normally issued banking paper. The tendency will then be for the banks to ask for higher rates for their short time notes issued to big industries and then the big industries will come back to the insurance companies for long term loans at relatively low rates.

Getting Out of Normal Ways

All lending agencies today are entering any field which offers an opportunity for the employment of money without much regard to what their previous habits may have been though the insurance companies are keeping well within the standards of safety in any new fields they may enter. As soon as normal business conditions return, the tendency will be for each financing group to return to its normal groove. That will be a help to the life companies.

The life insurance companies expect little or no competition from any real estate loans made by the national banks provided the new banking bill, permit-

On Seattle Card



R. LEIGHTON FOSTER

Insurance Superintendent R. Leighton Foster of Ontario, who always attends the meetings of the National Convention of Insurance Commissioners, will be one of the principal speakers at the forthcoming annual convention of the state officials at Seattle. Mr. Foster has served both as president and secretary of the Canadian superintendents' association. The United States commissioners' meetings without him present would seem a strange conclave.

ting such loans, becomes a law. Only the smallest country banks are expected to make these real estate loans even though they are permissible. The larger banks will stick to the old banking principle of keeping funds liquid and will stay out of the real estate lending field.

Expansion Is Seen in Accident Field

(CONTINUED FROM PAGE 1)

at the outlook because he has not closed a life case for some days. Sometimes a salesman finds his courage weakening and his morale being undermined because he is not actually making a sale.

The late John B. Lunger, vice-president of the Equitable Life of New York, stated that in inaugurating the health and accident department of that company in which he was primarily interested, he had in mind the help that it would give agents and especially new ones who could not effect a life insurance sale frequently enough to keep their spirits in a buoyant state. Mr. Lunger took the ground that if a person were selling something every day or so his momentum increased, he was in a hopeful state and his sales possibilities were accelerated.

With the life business more difficult to get and the road of the agents harder thereby those who are in a position to know say that life companies will find accident and health a good feeder and declare that a department of this nature will serve to add greatly to premium income. All agree that if a company enters the field of accident and health underwriting it should have at its head an executive who is well experienced in the line and who should be given authority to build it up to substantial proportions. The difficulty with many companies undertaking accident and health has been that they have regarded it more or less as a sideline and they have not given it the encouragement that it deserved. They have failed to put in charge of the department a strong enough man who was

able to build it up on its own foundations and develop a profitable business.

A number of the medium sized and smaller life companies are writing accident insurance and count it a very helpful adjunct as a business builder and a help in agency operations. Some of the main companies are the Illinois Bankers Life of Monmouth, Ill., Business Men's Assurance of Kansas City, Columbian National Life, Columbus Mutual Life, Federal Life of Chicago, General American Life, Great Western of Des Moines, Interstate Life & Accident of Chattanooga, Life & Casualty of Nashville, Monarch Life, National Life & Accident, Pacific Mutual Life, Provident Life & Accident of Chattanooga, Great Northern Life, Old Line Life of Milwaukee, Ohio State Life, Washington National of Chicago and Wisconsin National Life.

The Reliance Life of Pittsburgh will write accident and health policies only where a person takes out life insurance. The United Life & Accident of Concord, N. H., follows the same plan as the Reliance Life.

Some companies work in conjunction with running mates such as the Continental Casualty-Continental Assurance, Mutual Benefit Health & Accident, United Benefit Life, Massachusetts Protective-Paul Revere Life.

Pennsylvania to Become Much More Regulative

HARRISBURG, July 3.—Closer supervision of companies of other states doing business in Pennsylvania is to be the aim of the insurance department. Commissioner Hunt declared in addressing a meeting of the Pennsylvania Threshermen & Farmers' Mutual Casualty.

"Too many people in Pennsylvania," Commissioner Hunt said, "have taken it on the chin because of inadequate supervision of companies chartered in other states. Heretofore the Pennsylvania department has been satisfied to take the word of departments of other states regarding the financial condition of the companies chartered in those states and doing business here. But during this administration that practice will stop. If we are not entirely satisfied with the condition of any company transacting business in Pennsylvania, we intend to send out our own auditors to go over the books of such companies, recent legislation giving us this authority to safeguard the interests of the insuring public of Pennsylvania."

Commissioner Hunt also scored the practice of licensing "part-time" agents.

"The licensing of barbers, bootblacks and riff raff as part time agents in the insurance business is a thing which must stop," he said. "If there is one thing which I intend to do while commissioner of insurance for Pennsylvania, it is to raise the standard of the men who are selling insurance in this state."

Field Salesmen Featured in Production Campaigns

Some of the Central Life of Iowa agencies are featuring men in their organization for campaigns rather than honoring head office officials. For instance, David P. Smith, who is styled the "grand old man" of the Fort Dodge agency, was the center of attraction during a special month that was dedicated to him by General Agent L. I. Mackey in charge. General Agent Mackey arranged for a meeting and banquet at the end of the contest.

Then at Cedar Rapids, Ia., under the leadership of Acting Manager W. D. Moore, the agents honored W. F. Sargent on his 14th anniversary as an agent. They wrote more than \$100,000 of new business in tribute to him.

The Des Moines home office agency became infected with the enthusiasm and Manager R. O. Mason arranged for a dedication month to M. R. Nelson, a long time outstanding city agent.

HEALTHY SIZE



E. PARKER WAGGONER
President

means OPPORTUNITY for
**GENERAL AGENCIES
DISTRICT MANAGERS
FULL TIME AGENTS**

in New York and Ohio

Size alone is not enough to measure strength . . . or opportunity. Buffalo Mutual Life is today in a stronger position than ever before. This is indicated by our 62nd Annual Statement. For individuals who think along these lines and for agencies that desire to include Life Insurance with general lines . . . we believe Buffalo Mutual Life offers an outstanding opportunity. • Write J. C. Kreinheder, Sup't of Agents and ask for 62nd Annual Statement. Home Office Address: 452 Delaware Avenue, Buffalo, N. Y.

18 POLICIES • Birth to Age 60 • DEPENDABLE PROTECTION

Whole Life Special • 20 Payment Life Special • Multiple Option Life and Annuity • 10 and 20 Year Modified Ordinary Life • 10 and 20 Year Family Income • Endowment at Age 65 • Ordinary Life, Endowment at Age 85 • 20 Payment Life, Endowment at Age 85 • 10, 15 and 20 Year Endowment • Special Convertible Term • 10 Year Term • Children's Policies, three forms, Birth to Age 10.

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ACCIDENT AND HEALTH FIELD

New Noncancel Disability Form

Pacific Mutual Replaces Old Aggregate Contract with Broader Policy, Include Hospital Cover

The Pacific Mutual Life announces a new non-cancelable income policy featuring its 50th anniversary, replacing the old aggregate indemnity non-can form which is being withdrawn. The insuring clause is much broader, covering such liability as results in continuous, necessary and total loss of all business time. The premium rates are the same as on the old aggregate indemnity form.

Hospital Indemnity Included

Hospital indemnity is now a part of the contract at no extra premium, where formerly it was a supplement. Hospital indemnity is payable during elimination period. The new policy pays the balance of the aggregate amount in event of double eye and limb loss if the policyholder elects in 90 days after loss to take the lump sum. The limits are the same as for the old form, \$300 monthly indemnity and principal sum \$15,000. The new form is written upon all classes, including E, whereas the old form was written only on classes A to D, inclusive. The policy will be written on semi-annual premium basis as well as annual.

Rates for class A, are: Age 30, three months elimination, \$35.50; two months, \$44; one month, \$58.50; age 35, \$40, \$48

and \$63.50, respectively, and age 40, \$45.50, \$54 and \$71, respectively.

Aetna Life Analyzes Its Accident Claims in 1934

In analyzing the claims paid to personal accident policyholders last year, amounting to more than \$1,500,000, the Aetna Life finds that 29.34 percent of the total number were on account of auto accidents of which more than one-third were due to collisions.

Home accidents accounted for 22.51 percent of the claims paid, but automobile accident claimants collected 43.17 percent of the total paid for all accidents as compared to 18.79 percent paid to home accident claimants.

The principal causes of home accidents are falls, cuts, collisions with objects and burns, in the order named.

Sports accidents caused 15.9 percent of the claims, baseball proving the most hazardous, then golf, bathing, tennis or squash and horseback riding. There were about the same number of football accidents as dancing accidents, and more people were hurt playing tennis than hunting.

	Percentage of Number	Percentage of Amount
Automobile	29.34	43.17
Home	22.51	18.79
Pedestrians	8.60	4.29
Sports and recreation	15.90	8.65
Travel	1.48	7.43
In buildings (other than home)	14.29	8.87
Outside	6.97	6.30
Miscellaneous	.91	2.50

J. H. Johnson Accepts Post as Mississippi Commissioner

CLARKSDALE, MISS., July 3.—J. H. Johnson of Clarksdale has accepted the appointment as state insurance commissioner to fill the unexpired term of the late George D. Riley until January 1. He will make no changes in the Jackson office personnel, he said.

Following the appointment of Mr. Johnson, M. S. Pickett, Hattiesburg, a member of the state rating bureau, has announced his candidacy for commissioner of insurance in Mississippi in the Democratic primary to be held in August. The only other announced candidate for the full term is John Sharp Williams III, Yazoo City.

Steck in New Position

W. F. Steck, Jr., who has become manager of the Guardian Life at New Haven, has taken his new position. He has been for two and one-half years production manager in one of the New York agencies. From April, 1932, to December, 1932, he was manager of the Guardian Life agency at Williamsport. However, J. A. Tyson, in New York, desired a live man and he induced the company to assign him to his agency as production manager.

Hyman Elected to Office

E. A. Hyman of Baltimore was elected vice-president of the South Atlantic Division of the Quarter Million Dollar Field Club of the Mutual Life of New York at the club convention. He has been with the company less than a year, yet he was the 26th to qualify and ranks 34th in production for the club year. Mr. Hyman specializes in estate analyses, tax and trust matters and business arrangements. The Baltimore office, under management of P. H. Lowrey, led the 74 agencies of the Mutual Life in the United States, with greatest increase in paid for business.

William McGlasson won a 75-day national production campaign among Des Moines representatives of the Guardian Life.

and \$63.50, respectively, and age 40, \$45.50, \$54 and \$71, respectively.

AMERICAN CENTRAL LIFE

INSURANCE COMPANY

INDIANAPOLIS, INDIANA

● Serving in the life insurance field through wars, epidemics, panics, and depressions since 1899.

PACIFIC MUTUAL'S

"5-Way" Policy

truly is

LIVING INSURANCE

paying

1. Personal Disability Income in case of Sickness (1 day to 1 year)
2. Personal Disability Income in case of Accident (1 day to 1 year)
3. Personal Retirement Income
4. Single-Sum Indemnity for Accidental Loss of Limb or Sight
5. Single-Sum or Income Death Benefit (double for accidental death)

ONE POLICY UNIT—ONE COMPANY—ONE PREMIUM

For Every Personal Insurance Need
There's a Pacific Mutual Policy That Fits

The
Pacific Mutual Life
Insurance Company of California

Founded 1868
GEORGE I. COCHRAN, PRESIDENT

HOME OFFICE
LOS ANGELES, CALIFORNIA

ASSETS
OVER \$205,000,000.

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York
 PUBLICATION OFFICE, A-1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
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HOWARD J. BURRIDGE, Vice-Pres.-Gen. Mgr.
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 1900-1918 William St., Tel. Beckman 8-8958
 EDITORIAL DEPT.
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 1127 Fidelity-Philadelphia Bldg., Tel. Pen 8706, **HARRY C. MOUNTAIN**, Resident Manager
 Subscription Price \$8.00 a year; in Canada, \$5.50 a year. Single Copies, 15 cents. In
 Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.50.
 Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act.
 March 3, 1879.



Woods Agency Achieves Record

A NOTABLE event and one worth pausing to consider was the recent day when the EDWARD A. WOODS AGENCY of the EQUITABLE LIFE of New York at Pittsburgh found that it had paid for a billion of insurance since its organization, Nov. 1, 1880. This is the first agency to achieve so conspicuous a result. At the end of last year with all group insurance eliminated, the paid for business had amounted to \$985,588,483. When the figures for the first five months of the year were added up, amounting to \$15,322,579 of ordinary insurance, there was a thrill in the organization which made this agency a world leader.

The Woods agency operates in western Pennsylvania and was organized in 1880 by Dr. GEORGE Woods, father of EDWARD A. Woods. EDWARD A. Woods, who was one of the greatest life insurance general agents we have ever had, started to work in the agency from its inception and succeeded in the management. The Woods agency was the first general agency to receive the distinction of writing a million a month in new business. The agency was

incorporated in 1911. In 1927 Mr. Woods died and WILLIAM M. DUFF succeeded to the presidency. The momentum received by the Woods agency in its early years has continued unabated and even increased. Associated with EDWARD A. Woods was his brother, LAWRENCE C. Woods, prominent in PRINCETON UNIVERSITY activities, he being one of the alumni. EDWARD A. Woods, although not a graduate of Princeton, was greatly interested in it and he was given an honorary degree a few years ago at commencement time.

The Woods agency has always stood for the highest and best in life insurance. From it have graduated some of the successful men of the business. It has been an organization motivated by generous purposes. It has recently been recognized by the election of LAWRENCE C. Woods, Jr., as president of the PITTSBURGH LIFE UNDERWRITERS ASSOCIATION, he being a son of the late LAWRENCE C. Woods. The agency has initiated and tried out many plans in life insurance that are now recognized as practical and effective.

Striking at the Unlicensed Operators

As a result of investigations of the postal authorities, four operators of the NATIONAL AID SOCIETY of SPRINGFIELD, ILL., INDIANA, COLORADO, LOUISIANA, and ORANGE, TEX., have been indicted. This activity is encouraging to those who have been distressed by that phase of the unlicensed insurance problem that has to do with deliberate avoidance of supervision in order to sell questionable contracts, principally life and accident and health. Additional legislation, we believe, is not needed to reach such operators. If they are using the mails to defraud, the postal laws are sufficient and the time and attention of postal authorities is all that is needed.

Most of these concerns undertake to "insure" anyone, regardless of age or physical condition. Indeed, the assumption is that most of their "policyholders" are uninsurable. A decision to the effect that the insuring of uninsurables is a fraud would force dozens, perhaps hundreds of these outfits throughout the country, to

close up and end operations over night.

Perhaps the agitation in favor of federal legislation to control the operations of unlicensed companies prompted the postal authorities to conduct investigations. If so, the by-products of that agitation will have been valuable. Thousands of old and sick persons are being exploited by hit and run operators on the fringe of the insurance world. The amount that they are getting from the individual is not great, but we venture the opinion that the few dollars is an important outlay to most of those that are snared. The amount involved is not great enough to justify the individual in seeking to protect his interests. Because of their devious methods, most of these operators cannot be reached by state insurance authorities. The federal government is the only agency that is in a position to take a hand and we are glad to see an indication that the federal authorities are now assuming the responsibility and will get the situation under control.

PERSONAL SIDE OF BUSINESS

T. O. Herzberg, assistant in the agency department of the Provident Mutual Life, Philadelphia, for the last year and a half, and formerly associated with the Abner Heald general agency of the company in Milwaukee, was married to Miss Vera Hartwell in Milwaukee. They will make their home in Indianapolis, Ind., where Mr. Herzberg has been assigned by the home office.

M. Hope Reedy, manager for the Life Insurance Company of Virginia at Florence, S. C., has assumed his duties as newly-elected president of the Florence Life Underwriters Association.

Edwin H. Norene, assistant superintendent of agencies Connecticut Mutual Life, was guest of the Samuel Lockwood agency in Portland, in his swing around the Pacific Northwest.

E. C. Mahle, for several years special agent in St. Paul for the Northwestern Mutual Life, died at the age of 72.

Two prominent insurance men of Chicago appear on the list of founders of the new Illinois Republican Citizens Organization which has been put into the field to secure support for the Republican party and to obtain funds for the next presidential election. They are **James S. Kemper**, president Lumbermen's Mutual Casualty, and **H. A. Behrens**, president Continental Casualty and Continental Assurance. Mr. Behrens is chairman of the insurance division of the Illinois Chamber of Commerce and Mr. Kemper is chairman of the executive committee of the division.

Clark A. Moore, general agent of the Aetna Life in northern California, with headquarters in Oakland, accompanied by Mrs. Moore and their two sons are enjoying a leisurely vacation trip which includes Yellowstone, Glacier National Park, Lake Louise and British Columbia. This is the first vacation the Moores have taken in many years. Before leaving Mr. Moore announced that volume of paid business of his agency for the first six months of 1935 is equal to that written during the entire year 1934.

H. A. Binder, general agent of the Massachusetts Mutual Life at San Francisco, is slowly recovering from a critical illness which befell him shortly after his return from a trip to the east recently.

M. C. Nelson, Iowa manager Equitable Life of New York, will remain head of the Des Moines Safety Council for another year, although pressure of business caused him to consider resigning. The council in its first year secured passage of an ordinance requiring motor vehicle testing, and passage of state laws permitting cities legally to pass such an ordinance.

Henry S. Nollen, president Equitable Life of Iowa, was host at luncheon in Des Moines to 10 members of the Prairie Club who have been members for 30 years. The club was organized 45 years ago by Des Moines men who wanted a club where literary, social, historic and economic questions could be studied informally. To pursue these ends an amusingly negative attitude was adopted, at each monthly meeting a member reading a paper, following which there are no smiles, approval or applause, but instead, each member adopting a critical attitude and finding as many faults with the speaker's logic as possible. This tradition has been faithfully observed throughout the years and, as a result, extremely frank and spirited verbal battles take place.

Arthur M. Collens, newly elected president of the Phoenix Mutual Life, is receiving the condolences of his friends due to the death of his son, Arthur M.,

Jr., at Stamford, Conn. His son was a member of the class of 1934 at Williams and suffered a breakdown at the end of his sophomore year. He was educated at Kingswood school in Hartford and Hotchkiss preparatory school.

Angus Allmond, 70 years of age, superintendent of agencies for the western division of the Reliance Life, died of a heart attack at his home in Westwood, a suburb of Los Angeles. He had resided in Los Angeles for the past five years.

Mr. Allmond was born at Charlottesville, Va., and was secretary of the Commercial Club of Louisville before entering the insurance business in 1895. His first insurance connection was with the New York Life as an agent and later he was appointed agency director at Lexington, Ky. In 1909 he joined the Reliance Life as supervisor at Washington, D. C., and a year later he was made superintendent of agencies for the western division. He organized the territory west of the Mississippi, with headquarters at Denver. In 1927 he moved to San Francisco. On Oct. 10 of last year he completed 25 years of service with the Reliance Life, and was actively engaged in organization work at the time of his death.

W. I. Hamilton, vice-president Prudential, plans an extended trip abroad this summer which will take in England, Scotland, France and several other foreign countries. He will be accompanied by Mrs. Hamilton.

John W. Yates, general agent at Los Angeles for the Massachusetts Mutual Life, and a member of the First Methodist Church of Los Angeles, was elected vice-president of the Brotherhoods of the Methodist Churches at the annual conference at Long Beach. At the same meeting, **George E. Faires** of the Travelers, president Orange County Association of Life Underwriters at Santa Ana, and a member of the First Methodist Church there was elected secretary of the Brotherhoods.

Charles J. Iredell, general agent Penn Mutual at Cincinnati, is back at his office after a short vacation at his camp in Canada where he recovered from the effects of a recent illness. He is spending a few days this week at the home office in Philadelphia.

Howard P. Dunham, retiring Connecticut insurance commissioner, was guest of honor at a dinner attended by about 100 senior insurance officials, who have been neighbors and friends during his term of office. Samuel Ludlow, Jr., was toastmaster. Charles A. Templeton, former governor, characterized Colonel Dunham as "an optimist and a hard worker." Former Governor John H. Trumbull told how he reappointed the commissioner, and found him experienced and responsible. Concerning John C. Blackall, incoming commissioner, Mr. Trumbull said, "I think he will fill the position with satisfaction and that Connecticut will lead the country as the insurance state."

Colonel Dunham advised his successor, that "the fewer laws you have, the better off you will be," and added that he never had let politics influence him in the appointment of people in his office. Mr. Blackall and Mayor J. Watson Beach of Hartford also spoke.

Will Attend Bureau School

Twenty-five life companies in the United States and Canada will be represented by managers, supervisors and home office men at the school in agency management to be conducted by the Life Insurance Sales Research Bureau at the Edgewater Beach Hotel, Chicago, July 15-26. This is the last of four schools which the bureau is holding this year.

LIFE AGENCY CHANGES

Ehlen Now Chicago Manager

Succeeds Starrett, Who Is Transferred to Home Office by Guarantee Mutual

The Guarantee Mutual Life has made a change at Chicago, transferring Manager S. B. Starrett, Jr., who has been



FRANK F. EHLEN

there for a number of years to the home office and transferring Frank F. Ehlen, associate manager at Detroit for the state of Michigan, to Chicago as manager. Mr. Starrett is now in charge of the home office agency whose manager, Gail Furness, died last year. There has been no one permanently assigned in charge of that office since that time.

Mr. Ehlen has had 22 years' life insurance experience, starting in Chicago. He is best known as director of agencies of the Buffalo Mutual Life, which he helped to reorganize from the assessment basis to legal reserve. He was connected with the company in 1931-32. Mr. Ehlen for a number of years had been connected with the Equitable Life of Iowa in Chicago. Then for 13 years he was associated with Otis Hann Co., Chicago. After that he was special agent of the Columbus Mutual Life, operating out of the home office.

The Chicago office of the Guarantee Mutual will be moved July 15 to larger quarters on the 15th floor, 100 West Monroe street.

Central Life of Iowa Changes

J. E. Ferguson of Wenatchee, Wash., resumes association with the Irwin-Ferguson-Ross agency, general agents of the Central Life of Iowa there. W. H. Fones has gone to Seattle where he will maintain headquarters as northwest supervisor.

Johnstone Goes to Detroit

R. T. Johnstone, who has been associated with the life department of Marsh & McLennan's Chicago office for the past five years has been transferred to Detroit as manager of the life department at that office. Mr. Johnstone succeeds A. W. Greenfield, who resigned recently to become supervisor of the group sales division of the General American Life of St. Louis.

Mid-Continent Life Changes

Several appointments have been made by the Mid-Continent Life. William Kuhatschek, agent in the R. F. Lee agency at Dallas, has been appointed general agent in that city. G. C. Robertson becomes general agent at Lawton, Okla. R. E. Helper of Mangum,

Oklahoma, is developing an agency in Greer county, Okla., with J. W. Duncan as associate.

O. M. Sudler Joins Newark Agency

O. M. Sudler has become associate general agent in the W. O. Ford agency of the Continental Casualty and Continental Assurance in Newark. Mr. Sudler, a graduate of Vermont University, entered the insurance business with the general agent in Denver for the Maryland Casualty and Fidelity & Deposit, subsequently becoming general agent. In 1926 he went to Chicago where he joined the Hobart & Oates agency of the Northwestern Mutual Life. In 1930 he became associated with the Continental companies through the Perrin agency in New York City where he served as supervisor of the life department, from which position he has just resigned to go to Newark, where he will devote his entire time to the supervision of agents.

To Handle Mexican Business

When the Pan-American Life enters Mexico, where it was licensed a few months ago, C. S. Fury, formerly general agent for the company in Porto Rico, will be general agent for the Republic of Mexico with main offices in Mexico City. As an opening wedge only four or five special Mexican policies will be issued, but more will be drafted later. Each policy form issued in Mexico is closely scrutinized by the government and analyzed by officials. D. E. Allison, in charge of the Latin business, left for Guatemala en route to Mexico City.

H. W. Noble Resigns

H. W. Noble has resigned as general agent for the New England Mutual in the South Platte section of Nebraska, to remain with the agency as associate general agent, but in personal production. He started with the company in 1900 as district manager, later becoming a partner with his brother, the late G. W. Noble, as general agents. Later the state was divided between the brothers. The agency will be reunited under W. F. Noble, general agent at Omaha. C. H. Casper will have charge of the agency at Lincoln.

Franck General Agent

The Pacific Mutual Life announces the appointment of Lloyd A. Franck as general agent at Peoria, Ill., with enlarged quarters in the Commercial Merchants National Bank building. Mr. Franck has been general agent of the Franklin Life.

Casper Joins Klingbeil

C. J. Caspar, Jr., Pittsburgh, has been appointed assistant manager of the Detroit ordinary office of the Prudential under Manager Frank L. Klingbeil. He succeeds John M. Rhodes who resigned recently to become general agent for the General American. Mr. Caspar has been associated with Prudential in Pittsburgh for a year. Prior to that he was with the Massachusetts Mutual.

Klindworth District Manager

M. E. Klindworth, Earle, Ark., has been appointed district manager by the Lamar Life. Mr. Klindworth, native Missourian and a graduate of Mississippi State College, joined the Lamar Life as a special agent in 1933. He became one of the leading producers before his promotion.

Grant Goodlander, recently transferred from Washington, Ia., to Davenport as an agent of the Connecticut Mutual Life, has been promoted to district manager in Davenport.

THE PROVIDENT

LIFE AND ACCIDENT INSURANCE COMPANY

OF
CHATTANOOGA, TENNESSEE
FOUNDED 1887

LIFE • ACCIDENT • HEALTH • AND GROUP INSURANCE

Robert J. Maclellan
President

W. C. Cartinhour
Vice-President and Secretary

Monthly and Yearly Increases in Insurance in Force From the First Month

A 35% increase in 1935 over the same first five months of 1934 is the result of increasing confidence and enthusiastic salesmen.

1935 is a far better year for life insurance acquisition than 1934, and we should do better.

Our company's even lower lapse and even lower mortality than past years gives additional reason for our belief that 1935 will show us excelling all past records by great margins.

Country Life Insurance Company operates only in the state of Illinois.

COUNTRY LIFE INSURANCE COMPANY

L. A. WILLIAMS
General Manager
608 S. Dearborn St.
Chicago, Ill.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

RECOVERS FOR FIGHT DEATH

A jury in Judge Acherson's court at Jersey City awarded Mrs. Viola E. Walters of West New York, N. J., a verdict of \$2,780 against the Prudential under a double indemnity clause on her late husband's policy. It is believed to be the first suit brought in New Jersey to recover under the double indemnity clause for death resulting from a fight. Walters was attending a party at a brother-in-law's house when he was accidentally shot during a scuffle. The attorney for the Prudential contended Walters was alone responsible for his death and there should be no recovery, but the jury held Walters' death was due to accidental discharge of the revolver.

* * *

ALK HEADS C. L. U. CHAPTER

Benjamin Alk of the Hyde agency, Penn Mutual, was elected president of New York Chapter, C. L. U., at its annual meeting. Mr. Alk has been a member of the chapter since its inception and has been active in C. L. U. work in New York City.

M. W. Benton, Dunsmore agency, Equitable of New York, was elected vice-president and Harry Krueger, Recht & Kucher agency, Northwestern Mutual, was elected secretary-treasurer. New executive committeemen include C. Lamont Post, L. N. Whitelaw, T. G. Murrell, and H. A. Carr.

The C. L. U. movement will grow as members do good professional jobs, said

Dr. David McCahan, dean American College of Life Underwriters, the guest speaker. He pointed out that although the requirements to the granting of the C. L. U. designation might be expected to create a certain amount of public esteem, nevertheless the main share of recognition would come by reason of the reputations established by holders of the designation in their work.

As reasons why managers and general agents may be expected to encourage C. L. U. work Dr. McCahan said that the use of the designation tends to attract higher grade men into the business; that the turnover among C. L. U. men is negligible; that the business they produce is more persistent; and that they should be actually or potentially above the average level of production.

The current emphasis upon human values as opposed to property values, as evidenced by social security measures, will mean a wider market for life insurance, he predicted.

* * *

SPECTATOR IN NEW PLAN

The "Spectator" of New York, which heretofore has been a weekly publication, will now divide itself into two parts. One will be devoted to fire and casualty insurance and the other to life insurance, each to appear fortnightly. The "Spectator" is one of the old and highly esteemed publications. Hereafter the "Spectator" will be devoted largely to feature, educational, statistical and informative articles.

NEWS OF THE COMPANIES

Mears Vice-president and General Manager Union Life

E. H. Mears, former manager Richmond district, Metropolitan, has become first vice-president and general manager of the Union Life of Richmond, Va. He entered the life business in 1921 as agent for the Metropolitan and later was appointed assistant to the manager in Wilmington, Del. Then he was promoted to district manager at Danville, Va., in 1926, being transferred to Richmond the following year. For seven years he was president of the Virginia Managers Association of the Metropolitan. Mrs. J. N. Lawler, widow of a former owner of the Union Life, is president. Colonel Joseph Button, former Virginia commissioner, in the past was president of the company.

Heath and Larson Sentenced

DENVER, July 3.—F. A. Heath and E. W. Larson, former officers of the American Life of Denver, who once controlled companies with reported assets in excess of \$10,000,000, plead guilty in criminal court to a charge of conspiracy in connection with a \$100,000 embezzlement from the American. Heath was given a term of four to five years in the penitentiary and Larson from three to five. The maximum sentence is 10 years.

Wilbur Newton, receiver of the American Life, reports that no negotiations have yet been made regarding reinsurance.

Conducting Match Contest

The Atlantic Life has launched a July-August match campaign. Representatives paying for as much as \$10,000 of business in either July or August will receive 960 book matches. Those paying for as much as \$10,000 in both July and August will receive 2,400 book matches. As an additional incentive the company offers 50 percent aces credit on all business written during July and August, on

premium instalments paid on or before Oct. 31, 1935.

Federal Reserve Life Case

KANSAS CITY, KAN., July 3.—Judge C. Pollock of the federal court is on vacation in Canada. Consideration of the matter of W. W. Holloway and the Federal Reserve Life probably will not come up for a month or two, and perhaps not before fall. The company filed a petition to dismiss Mr. Holloway's suit charging insolvency. It claims that Mr. Holloway has not sufficient interest in the company to bring suit in the federal court. Mr. Holloway has filed an amended petition.

Hauser with Peoples Life

S. W. Hauser has been appointed actuary of the People's Life of Washington, D. C. He has lived in Richmond, Va., since he was born Jan. 12, 1899. He started as an assistant examiner in the Virginia insurance department and two years ago was appointed examiner.

Curtis Division Manager

Walter Curtis of Fargo, N. D., left Saturday for Milwaukee to become manager of the fire insurance division of the loan department of the Northwestern Mutual Life. Mrs. Curtis and their sons, Walter, Jr., and Bobby, will join him in a month. Mr. Curtis is a former special agent for the Great American Fire.

Great National, Dallas

The Great National Life of Dallas is spending \$250,000 on rebuilding and improving the old Central Bank Building there, which will become the home office to be known as the Great National Life Building. It will be air-conditioned, President S. J. Hay announces.

The Union Labor Life of Washington, D. C., moved its headquarters on July 1 to 570 Lexington avenue, New York.

M. A. Kern Entertains for Group of Commissioners

(CONTINUED FROM PAGE 3)

attle where their mother is visiting. The two brothers and mother will return after a week's stay. M. A. Kern was formerly a resident of Seattle, being in the automobile business there.

The brothers Kern have done a fine piece of work in developing their insurance interests. They organized the old Life & Casualty and the Mutual Casualty of Chicago. They took over the Peoria Life, combining it with the Life & Casualty and changing the name to the Alliance Life. They have succeeded in conserving a goodly part of the old Peoria Life business solely through the agency force without any outside aid. About 75 percent of the Peoria Life agents remain with the Alliance Life. The two companies are moving along in splendid style showing the effect of aggressive management.

Six Proposals Submitted at Detroit Life Hearing

(CONTINUED FROM PAGE 3)

as far as 50 percent reserve makes possible; incurred death claims, paid in full; cash or loan moratorium, three years except for premium loans; amounts left with company, reduced 50 percent; cash surrender, reduced 50 percent, paid in one year; administration expense, loadings only on basis of present Maccabees rates plus one-half of 1 percent of mean assets for investment expense; rewritten policies, all participating after creation of 5 percent surplus.

American Central—Lien, 57.5 percent maximum, no lien if equity under \$10; interest on lien, 5 percent of Dec. 31, 1934, 4 percent thereafter; period of lien waiver, to Dec. 31, 1944, accrued interest deducted; extended insurance, face amount, reduced in conformity with lien; disability benefit, waiver of premium in full, income reduced permanently by percentage of lien; cash or loan moratorium, to Dec. 31, 1944, except for premium loans; previously matured endowments, paid in full; amounts left with company, reduced by lien and paid in cash; cash surrender, reduced by lien and paid in one year; administration expense 3 percent of premium income to Dec. 31, 1938, 2 percent thereafter plus \$3 per \$1,000 to 1938 and \$2 per \$1,000 thereafter; rewritten policies, 15 percent first year charged to Detroit Life fund.

Life Insurance Company of America, Columbus—Lien, 50 percent tentative, regular to be established by valuation of assets; interest on lien, 4½ percent to Dec. 31, 1955, 3½ percent thereafter; period of lien waiver, to Dec. 31, 1950, interest deducted; extended insurance, amount reduced for same period; disability benefits, waiver of premium in full, income canceled and claims reduced by lien; cash and loan moratorium, for five years except for premium loans; previously matured endowments, reduced by lien, participation certificates given; amounts left with company, payable 30 months; administrative expense, \$2 per \$1,000 on premium-paying policies, \$1 on others; pays \$2 per year for five years to Detroit Life fund on rewritten policies.

United Mutual, Indianapolis—Lien, 60 percent of net equity (reserve plus loans); interest on lien, 4 percent; incurred death claims, paid in full; extended insurance, amount reduced for same period; period of lien waiver, to Dec. 31, 1944, interest not deducted; disability benefits, waiver of premium in full, income canceled but claims paid in full; cash and loan moratorium, for five years but may be changed by commissioner; previously matured endowment, reduced by lien paid in 24 monthly installments; amount left with company, reduced by lien; administrative expense, \$2 per \$1,000 on premium-paying policies, \$1 on paid-up and extended. Seymour Person, Lansing attorney,

represented the North American Life; Earl Akey, Detroit, the Maccabees; Secretary H. W. Buttolph the American Central Life; President G. A. Bangs, H. V. Wade, assistant to the president, and Actuary Frank Haight, the United Mutual Life; Capt. W. R. Baker, a director, and Actuary F. D. Strudel, the Life Insurance Company of America. Several of the Michigan companies were also represented, L. J. Treanor being present from the Michigan Life and Selwyn Lambert from the Agricultural Life. The Detroit Life management had its legal counsel in attendance, headed by Isidore Levine.

Officials Optimistic Over Prospects in 1935 and 1936

(CONTINUED FROM PAGE 3)

Further signs of improvement are noted by life companies in steady decrease of policy loans and replacement of lapsed policies.

President Law, a former president of the American Bankers' Association, reports an increase of 75 percent in investments made by life companies in the first five months of this year as compared to the corresponding period of last year. This increase, he believes, indicates general improvement in business.

"Life insurance companies," he said, "have more money to invest than they had a year ago for several reasons. On the one hand, sales of new policies have increased with a resultant increase in premium receipts and, on the other hand, fewer policies are being permitted to lapse. Loans to policyholders have decreased considerably and there has been a substantial increase in the repayment of mortgage and policy loans."

While public utility bonds account for only 11 percent of the total holdings of life companies acquired since Jan. 1, the investments in those bonds have increased 220 percent since the first of the year.

No Currency Inflation

Company officials do not believe that there will be any currency inflation. The opinion is general that a form of credit inflation already has made its appearance.

Company executives are not sanguine over special results from the four billion dollar federal work relief fund although they feel the expenditure of such a large sum undoubtedly should provide some stimulus to recovery.

Hesitation of business as a whole to accept the belief that the depression is over and end the feeling of uncertainty which was so apparent last year is chargeable to the President's tax program, the utility holding bill and other measures. Officials on every hand feel that if Washington would let business alone, conditions would improve.

One finds an optimistic viewpoint everywhere. President Talbot, of the Fidelity Mutual Life, summed up the opinion of the majority when he remarked that "there is some way to go before the skies are clear" but that, "nevertheless we are definitely headed in the right direction and can look forward with more certainty and confidence than we have been able to for some years past."

Some company executives, as a matter of fact, were bold enough to predict a prosperity boom—although on a lower scale than that of 1928-29—by 1937.

And facts uncovered by the survey show that they are very apt to prove correct in their prediction.

Joins American Convention

The United States Life of New York has been elected a member of the American Life Convention. It recently brought about a merger with the Brooklyn National Life. The Brooklyn National has been a member of the convention for some time. The United States Life was organized in February, 1850. Henry Moir is president. Ben S. Graham, vice-president of the Brooklyn National, is vice-president.

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NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Travelers New Annuity Rates

Single Premium Immediate Schedule Is Revised—Figures Given on \$100 Annual Income

The Travelers has issued its new rates on the single premium immediate annuities. The figures below show the premium for each \$100 of annual income.

Single Premium Immediate Annuities \$100 Annual Income

Age	Male*	Life Annuity	Install. Refund	Cash Refund
20	\$2,408.50	\$2,495.40	\$2,648.70	
21	2,389.10	2,477.50	2,629.00	
22	2,369.10	2,459.10	2,608.80	
23	2,348.70	2,440.30	2,582.20	
24	2,327.70	2,421.10	2,567.30	
25	2,306.10	2,401.40	2,545.90	
26	2,284.00	2,381.40	2,524.10	
27	2,261.30	2,360.80	2,501.80	
28	2,238.10	2,339.90	2,479.30	
29	2,214.30	2,318.50	2,456.30	
30	2,190.00	2,296.60	2,432.80	
31	2,165.00	2,274.40	2,409.00	
32	2,139.50	2,251.70	2,384.70	
33	2,113.50	2,228.50	2,360.20	
34	2,086.80	2,204.90	2,335.20	
35	2,059.60	2,181.00	2,309.70	
36	2,031.80	2,156.60	2,283.90	
37	2,003.50	2,131.70	2,257.90	
38	1,974.60	2,106.50	2,231.30	
39	1,945.20	2,080.80	2,204.40	
40	1,915.20	2,054.80	2,177.20	
41	1,884.70	2,028.40	2,149.70	
42	1,853.70	2,001.50	2,121.80	
43	1,822.10	1,974.40	2,093.50	
44	1,790.10	1,946.90	2,065.10	
45	1,757.70	1,918.90	2,036.30	
46	1,724.70	1,890.70	2,007.00	
47	1,691.40	1,862.20	1,977.80	
48	1,657.60	1,833.30	1,948.20	
49	1,623.40	1,804.10	1,918.20	
50	1,588.90	1,774.70	1,888.10	
51	1,554.00	1,745.10	1,857.90	
52	1,518.90	1,715.00	1,827.40	
53	1,483.50	1,684.90	1,796.50	
54	1,447.80	1,654.60	1,765.90	
55	1,411.90	1,624.00	1,734.90	
56	1,375.90	1,593.10	1,703.50	
57	1,339.70	1,562.40	1,672.50	
58	1,303.50	1,531.30	1,641.30	
59	1,267.20	1,500.00	1,609.60	
60	1,230.90	1,469.00	1,578.40	
61	1,194.60	1,437.70	1,547.10	
62	1,158.40	1,406.20	1,515.40	
63	1,122.30	1,375.10	1,484.00	
64	1,086.40	1,343.80	1,453.00	
65	1,050.70	1,312.40	1,421.50	
66	1,015.20	1,281.20	1,390.10	
67	980.00	1,250.30	1,359.50	
68	945.20	1,219.10	1,328.50	
69	910.80	1,188.20	1,297.20	
70	876.80	1,157.80	1,267.40	
71	843.20	1,127.30	1,237.20	
72	810.20	1,096.70	1,206.50	
73	777.70	1,067.10	1,177.30	
74	745.80	1,037.40	1,148.30	
75	714.40	1,007.60	1,118.90	
76	683.80	978.90	1,090.00	
77	653.80	950.40	1,062.60	
78	624.50	921.80	1,034.80	
79	596.00	893.60	1,006.00	
80	568.10	866.70	980.60	
81	541.10	839.70	955.20	
82	514.80	812.70	929.40	
83	489.30	786.80	903.20	
84	464.60	761.80	880.30	
85	440.70	736.80	857.80	

*Women pay rate four years younger than actual age; i.e., age 20 male rate is rate at age 24 for female.

American Service Bureau Celebrates Anniversary

The American Service Bureau, which is affiliated with the American Life Convention, is celebrating its 15th anniversary. It started with six small offices in 1920, and now it has 35. Lee N. Parker is president. It started in the Monadnock building in Chicago on July 1, 1920, and then moved to St. Louis to be at the headquarters of the American Life Convention. Last year both organizations moved to Chicago.

President Parker will soon celebrate his 14th anniversary with the bureau. M. B. Cederstrom, vice-president and secretary, will celebrate 15 years of continuous service with the bureau next month, entering its employ shortly after its inauguration.

LIFE INSURANCE EDITION

SAKAKA-WEA



Sakaka-Wea
symbolizes the
principles of
PROVIDENT LIFE

Each year brings greater public reverence for the courageous Sakaka-Wea who blazed the trail to the Pacific for the Lewis and Clark Expedition.

Sakaka-Wea's great strength, vision, and willingness to serve, so typify the principles which Provident Life set for itself, that since the company's organization in 1916, Sakaka-Wea has been its trademark. Just as Sakaka-Wea was determined to reach a definite goal, so Provident Life has gone forward to greater success in each of its 19 years.

Provident welcomes contact with prospective policyholders and progressive agents alike.

**PROVIDENT
LIFE INSURANCE CO.**

Bismarck, North Dakota

[\$] [No. 7 of 12 new 1935 Sales Aids] [\$]

Something For Nothing! Southland Life Agents really get it

Yes . . . they get the ready, expert sales assistance of their district managers. And what is even more important, the Home Office pays the manager. Our agents keep all of their commissions!

District territories are small enough that Southland Life agents receive such selling assistance frequently.

If you would like to join a Company that will help you make money, write to First Vice-President Clarence E. Linz, or to Vice-President and Agency Manager, Col. Wm. E. Talbot.

Southland Life Insurance Company

HARRY L. SEAY, President

HOME OFFICE DALLAS, TEXAS

Send 9 cents in stamps for sample copy of

THE ACCIDENT & HEALTH REVIEW

The only exclusive accident and health paper published.

It gives ideas and suggestions that help you sell income protection insurance.

Address your inquiry to A-1946, Insurance Exchange, Chicago

changed conditions. The new non-participating five- and ten-year term contracts are convertible non-renewable and may have attached disability benefit or waiver of premium only.

The family income rider will be issued with participating and non-participating insurance, and with practically every policy plan under which death benefit is payable in lump sum, including retirement income with insurance contracts. The coverage is virtually the same as the family income policy, income \$10 per month per \$1,000 face for a period of 10, 15 or 20 years, and then the face in lump sum. Use of the rider permits use of former contract with no change in nonforfeiture values, or in dividends in participating contracts. The 20 year rider carries premiums for 15 years, 15 year rider for 12 years and 10 year rider for eight years. The rates quoted below for family income rider are extra premiums to be added to the regular policy premium. The minimum policy to which rider will be attached is \$2,500.

New Annuity Application

No change has been made in rates for permanent disability benefits. A new single premium annuity application has been issued applicable to all cases after July 1, including questions to give positive evidence of identity and age of annuitant.

Scope of the spendthrift clause has been increased to safeguard proceeds regardless of whether payable in installments or lump sum. Two changes have been made in the participation clause, first dividend being payable on receipt of second year premium in full. Any interest accumulations are paid to beneficiary with death benefits. Settlement option 6, regular life annuity option, making payment of proceeds as life income without certain period, has been added. Amount of payments shown in settlement option tables have been somewhat decreased, dependent on sex. Settlement options are now available only where assured directs the manner of payment to beneficiary, and no election may be made by the beneficiary for money left to her in lump sum nor by assured for use of a matured endowment or cash value.

The new rates on a number of more popular forms are:

Ord.	20	P.U.	20	Life	Term	
Age	Life	Pay	60	End.	Exp.	Exp.
20..	\$13.48	\$21.88	\$14.77	\$41.90	\$12.81	\$9.85
21..	13.77	21.77	15.20	41.94	13.16	10.18
22..	14.11	22.18	15.66	41.97	13.44	10.36
23..	14.47	22.60	16.14	42.00	13.73	10.57
24..	14.82	23.03	16.66	42.04	14.04	10.76
25..	15.26	23.48	17.21	42.08	14.46	11.17
26..	15.69	23.95	17.80	42.13	14.80	11.41
27..	16.14	24.44	18.43	42.19	15.16	11.66
28..	16.61	24.95	19.11	42.26	15.65	12.14
29..	17.11	25.49	19.83	42.33	16.04	12.43
30..	17.64	26.05	20.59	42.43	16.46	12.72
31..	18.21	26.64	21.47	42.54	17.04	13.35
32..	18.80	27.25	22.38	42.67	17.52	13.72
33..	19.44	27.90	23.38	42.82	18.02	14.10
34..	20.11	28.58	24.45	43.00	18.72	14.86
35..	20.82	29.29	25.62	43.20	19.28	15.30
36..	21.57	30.04	26.91	43.43	19.89	15.78
37..	22.37	30.82	28.32	43.68	20.53	16.29
38..	23.21	31.63	29.85	43.96	21.42	17.25
39..	24.10	32.49	31.53	44.28	22.14	17.84
40..	25.05	33.38	33.38	44.64	22.89	18.46
41..	26.04	34.31	35.41	45.03	23.68	19.08
42..	27.10	35.29	37.65	45.47	24.82	20.30
43..	28.22	36.31	40.17	45.95	25.72	21.04
44..	29.40	37.39	43.00	46.48	26.66	21.82
45..	30.65	38.51	46.20	47.06	28.02	23.33
46..	31.97	39.69	47.97	47.71	29.06	24.21
47..	33.37	40.93	53.86	48.41	30.13	25.15
48..	34.85	42.23	58.62	49.18	31.26	26.14
49..	36.42	43.59	64.21	50.03	32.96	28.07
50..	38.08	45.03	70.90	50.95	34.24	29.25
51..	39.84	46.54	51.96	53.49	...	...
52..	41.70	48.13	53.07	56.28	...	...
53..	43.67	49.82	54.27	58.86	...	...
54..	45.76	51.60	55.58	40.32	...	...
55..	47.97	53.48	57.01	41.84	...	...
56..	50.32	55.48	58.56	44.26	...	...
57..	52.81	57.59	60.25	45.88	...	...
58..	55.45	59.84	62.09	47.56	...	...
59..	58.26	62.24	64.10	50.48	...	...
60..	61.24	64.80	66.29	52.35	...	...
61..	64.40	67.54	68.68	...	...	...
62..	67.77	70.48	71.30	...	...	...
63..	71.35	73.64	74.15	...	...	...
64..	75.16	77.03	77.26	...	...	...
65..	79.88	81.39	82.64	...	...	...

Age	With Ins.	Fam.	Inc.	Rider	Retire. Income
at 60	at 65	10 yr.	15 yr.	20 yr.	
20..	\$22.64	\$18.18	\$3.83	\$5.77	\$7.54
21..	23.50	18.77	3.87	5.62	7.61
22..	24.41	19.40	3.89	5.66	7.68
23..	25.39	20.07	3.92	5.70	7.76
24..	26.42	20.77	3.96	5.76	7.84
25..	27.52	21.53	3.99	5.82	7.92
26..	28.69	22.33	4.02	5.88	8.02
27..	29.93	23.18	4.07	5.94	8.12
28..	31.26	24.09	4.11	6.02	8.24
29..	32.70	25.06	4.16	6.09	8.37

Age	With Ins.	Fam.	Inc.	Rider	Retire. Income
at 60	at 65	10 yr.	15 yr.	20 yr.	
30..	34.25	26.09	4.20	6.18	8.51
31..	35.90	27.19	4.25	6.28	8.66
32..	37.69	28.37	4.31	6.37	8.83
33..	39.62	29.63	4.38	6.49	9.01
34..	41.76	30.98	4.46	6.61	9.22
35..	44.14	32.44	4.54	6.75	9.44
36..	46.76	34.01	4.63	6.91	9.71
37..	49.64	35.69	4.72	7.09	10.00
38..	52.74	37.50	4.84	7.29	10.34
39..	56.11	39.48	4.97	7.51	10.72
40..	59.78	41.70	5.12	7.78	11.14
41..	63.76	44.73	5.28	8.07	11.63
42..	68.16	46.78	5.46	8.40	12.19
43..	73.05	49.68	5.67	8.78	12.81
44..	78.56	52.79	5.91	9.22	13.51
45..	84.83	56.15	6.19	9.71	14.30
46..	92.01	59.79	6.49	10.25	15.18
47..	100.36	63.79	6.85	10.86	16.16
48..	110.22	68.25	7.23	11.56	17.24
49..	121.99	73.26	7.67	12.32	18.45
50..	136.18	78.94	8.16	13.18	19.79
51..	154.44	8.70	14.14	...	...
52..	192.97	9.31	15.20	...	...
53..	101.81	9.99	16.38	...	...
54..	112.30	10.75	17.69	...	...
55..	124.93	11.59	19.15	...	...

New England Mutual Changes

Single Premium Annuity Rates Are Increased; New Limits Are Announced

The New England Mutual has increased single premium annuity rates to the level already adopted by most of the eastern life companies, effective July 1. The company states: "We are going through an unusually long period of very low interest returns on new investments. This has an effect on the private investor, and an even greater effect on a financial institution such as a life insurance company, which must earn the required interest on its reserves."

Limits for single premium annuities and single premium life and endowment contracts will be \$10,000 in any one calendar year, with aggregate \$25,000 over a period of years. The new single premium life annuity rates are:

Age	Without Refund	Instal.	Cash Refund	Refund
10	\$2,461.10	\$2,523.30	\$2,542.70	\$2,304
11	2,446.90	2,510.40	2,530.00	2,286
12	2,431.60	2,497.00	2,517.10	2,268
13	2,415.50	2,483.10	2,503.90	2,250
14	2,398.90	2,468.90	2,490.40	2,231
15	2,383.20	2,454.70	2,476.70	2,211
16	2,368.20	2,440.60	2,462.70	2,191
17	2,352.70	2,426.10	2,448.30	2,171
18	2,336.60	2,411.10	2,433.50	2,150
19.	2,320.20	2,395.80	2,418.40	2,130
20	2,303.20	2,380.10	2,402.80	2,105
21	2,285.70	2,364.00	2,386.90	2,082
22	2,267.80	2,347.40	2,370.60	2,060
23	2,249.30	2,330.40	2,353.80	2,035
24	2,230.30	2,313.00	2,335.70	2,011
25	2,210.70	2,295.20	2,319.10	1,976
26	2,190.70	2,277.00	2,301.20	1,954
27	2,170.00	2,258.30	2,282.80	1,934
28	2,148.80	2,239.20	2,264.10	1,913
29	2,127.10	2,219.60	2,245.00	1,892
30	2,104.80	2,199.60	2,225.40	1,871
31	2,082.00	2,179.20	2,205.30	1,850
32	2,058.60	2,158.40	2,185.00	1,829
33	2,034.60	2,137.10	2,164.20	1,809
34	2,010.10	2,115.30	2,143.00	1,788
35	1,985.00	2,093.20	2,121.40	1,767
36	1,959.30	2,070.60	2,099.30	1,746
37	1,931.00	2,047.60	2,077.00	1,725
38	1,906.30	2,024.20	2,054.30	1,704
39	1,878.90	2,000.30	2,031.10	1,684
40	1,851.00	1,976.10	2,007.50	1,663
41	1,822.60	1,951.50	1,982.60	1,642
42	1,793.60	1,926.50	1,959.40	1,621
43	1,764.20	1,901.00	1,934.70	1,600
44	1,734.20	1,875.20	1,909.70	1,579
45	1,707.30	1,849.10	1,884.40	1,560
46	1,682.80	1,822.60	1,858.80	1,540
47	1,654.10	1,795.70	1,832.90	1,520
4				

NEWS OF LIFE ASSOCIATIONS

Detroit Committees Named

Plans for Year Discussed by Leaders in Qualified Life Underwriters of Detroit

Plans for the year were discussed and committee appointments announced at a gathering of the Qualified Life Underwriters officers, directors and committee chairmen called by Donald Macchum, manager Manufacturers Life and president of the organization. Appointments are:

By-laws and legislative, C. A. Macchum, state agent John Hancock, chairman; J. L. Hindelang, secretary-treasurer, George H. Beach Co., vice-chairman; finance, H. K. Schoch, general agent Aetna, chairman; R. E. Stringer, Reem agency, State Mutual, vice-chairman; educational, R. E. Olmsted, agency director Johnston & Clark, Mutual Benefit, chairman; L. D. Burnell, Northwestern Mutual, vice-chairman; membership, Seth Ryan, general agent Penn Mutual, chairman; J. H. Kennedy, supervisor Equitable of New York, vice-chairman, business practices, H. B. Knaggs, New England Mutual, chairman; F. A. Smart general agent Equitable of Iowa vice-chairman; program M. L. Woodward general agent Northwestern Mutual, chairman; F. J. Little, Massachusetts Mutual, vice-chairman; meetings and attendance, Russel Innes, Great-West, chairman; E. W. Albachten, general agent Pacific Mutual, vice-chairman; publicity, H. C. White, general agent Connecticut Mutual, chairman; G. E. Lackey, general agent Massachusetts Mutual, vice-chairman.

J. L. Hindelang, expert on estate building problems and active foe of unethical practices, was appointed representative on the Life Underwriters Council, the organization which confers periodically with the insurance commissioner on field problems, succeeding F. J. Little.

Texas State Association Launches Speakers Bureau

O. P. Schnabel of San Antonio, president of the Texas Life Underwriters Association, states that a speakers bureau has been inaugurated, nine life men having occasion to cover the state in connection with their regular duties, having already agreed to speak before local bodies wherever they can make arrangements.

The list is as follows: Arthur Coburn, Dallas, vice-president Southwestern Life; O. D. Douglas, San Antonio, state manager Lincoln National Life; J. L. Lawrence, associate state manager Lincoln National Life; H. T. Childre, superintendent of agencies Jefferson Standard Life; John C. Leissler, Dallas, publisher "Southwest Insurer"; H. G. Hewitt, Houston, Texas general agent Northwestern National Life; Jul Baumann, Fort Worth, general agent Pacific Mutual Life; W. E. Talbot, Dallas, vice-president Southwestern Life; Sam R. Hay, Jr., Houston, educational director Great Southern Life; H. R. Smith, Houston, Jefferson Standard Life.

Arkansas Annual Meet and Sales Congress Are Combined

The annual meeting of the Arkansas Association of Life Underwriters, and a sales congress sponsored jointly with the Little Rock Association of Life Underwriters was held at Little Rock with over 200 present. C. H. Wickard, Little Rock, Aetna Life, was elected as president of the state group.

Alexander E. Patterson, Chicago, general agent Penn Mutual Life, dis-

cussed organizational selling. C. O. Fischer, St. Louis general agent Massachusetts Mutual Life, advised the underwriters to cultivate "busy habits" as an aid to salesmanship. L. O. Schriver, Peoria, Ill., general agent Aetna Life and vice-president of the National association, suggested enthusiasm as a big help in obtaining sales.

E. B. Stevenson, Jr., vice-president National Life & Accident, praised the institution of life insurance as second only to the federal government in the relief extended its policyholders during the depression years.

Officers who will serve with Mr. Wickard are as follows: A. B. Hill, Little Rock, Union Central Life, first vice-president; W. W. Taylor, Pine Bluff, Mutual Life of New York, second vice-president, and J. Warren Stephens, Texarkana, Aetna Life, secretary-treasurer.

Spokane, Wash.—Clair Crisp, Travelers, was elected president, succeeding Leo Buescher, who was appointed national committeeman. Ben Fry was named vice-president and Horace Hathaway, secretary. Directors are, E. R. Edgerton, Richard Unger, J. R. D. McIntyre, L. D. Lacey, Louis G. Bostwick and Edward Partridge. J. A. Bjornstad, Montana Life, spoke.

Mississippi—A. A. Madden, Penn Mutual, was reelected president along with A. H. Doty, Mutual Benefit, secretary, and S. R. Whitten, Jr., Home Life of New York, national executive committeeman.

Portland, Ore.—Frank W. Paris, National Life, was named president; A. M. Sherwood, Penn Mutual, treasurer; W. E. North, New York Life, vice-president; N. A. Dew, John Hancock, national committeeman; S. D. Chapin, Mutual Life, secretary.

Atlanta, Ga.—At the last monthly meeting for the summer season Julian Boehm, was presented a scroll commemorating his 25 years in insurance. The presentation was made by Henry

Powell, general agent State Mutual. The next meeting will be held the last of September.

* * *

Lexington, Ky.—At the annual meeting new officers were elected: President, J. W. Ford, Pacific Mutual; Vice-president, G. W. Fuller, Fidelity Mutual; Secretary, A. L. Atchison, New York Life; Treasurer, C. H. Noble, Penn Mutual Life; Directors, D. C. Cruise, Mutual Life, N. Y.; T. A. Hagan, New England Mutual; R. B. Hill, Massachusetts Mutual; Edgar Richardson, Mutual Benefit; E. H. Thompson, Equitable of New York; J. N. Wiggin, Provident Mutual.

* * *

San Francisco—James M. Hamill, Equitable of N. Y., who assumed office July 1 as president of the San Francisco Life Underwriters Association, is in southern California conferring with Harold Saul, president of the Los Angeles association in connection with his plans for the year. President Hamill plans a "Monday morning meeting" at which speakers from Los Angeles will be featured, with speakers from San Francisco addressing the Los Angeles group the same Monday morning.

* * *

Cedar Rapids, Ia.—Systematic habits of hard work as foundation for success in life insurance selling were emphasized by C. O. Fischer, general agent in St. Louis for the Massachusetts Mutual Life, in his address before the Cedar Rapids association. F. W. Darling, president Iowa State Association of Life Underwriters, Cedar Rapids, introduced Mr. Fischer. M. M. Thompson, who has been president of the Cedar Rapids association for 18 months, was presented a plaque by the members. C. W. Cottingham officiating. Thirty agents of the Business Men's Assurance holding sessions were present.

* * *

Little Rock, Ark.—Dr. S. S. Huebner, president American College of Life Underwriters, is scheduled to deliver three addresses July 5 at Little Rock.

* * *

Davenport, Ia.—S. W. Sanford, manager ordinary department Prudential, was elected president of the Davenport association, succeeding M. E. Van Epps. Other officers named at the annual meeting are: J. H. Copeland, first vice-president; Dick LeBuhn, second vice-president; Charles Kuttler, secretary; Walter Paul, treasurer, and A. W. Van Houten, state committeeman. K. F. Madden will continue as national committeeman. M. Van Epps automatically becomes chairman executive committee.

* * *

Iowa City, Ia.—R. L. Short has been elected chairman of the Life Underwriters of Iowa City, Ia., in an organization meeting. F. C. Buebner was selected vice-chairman of the new organization and M. L. Deaton named secretary-treasurer. The new officers will serve the remainder of the year.

It was voted to maintain an Iowa City organization and become a member of the National Association of Life Underwriters through the Cedar Rapids branch, since several Iowa City underwriters are already members of the Cedar Rapids organization.

* * *

Fort Wayne, Ind.—Howard Meld is the new president; O. D. Pritchard, vice-president; James Geiger, treasurer, and C. M. Carter, secretary.

* * *

Burlington, Ia.—Harry S. Haskins, state agent John Hancock Mutual Life, Des Moines; T. H. Young, superintendent of agents Yeomen Mutual Life, Des Moines, and M. L. Seltzer, general agent Aetna Life, Des Moines, spoke.

* * *

Harlingen, Tex.—Organization has been completed with the election of E. O. Anglin as president. Other officers are: Vice-president, J. S. Lawson, and secretary-treasurer, G. L. Moody.

* * *

Toledo, O.—Marius Mansen was elected president at the annual field day and election, succeeding C. S. Beck. Arthur Chase was elected first vice-president and Fred Zweifel second vice-president. Directors are Leonard Donnelly, Walter Johnson and W. B. Gardiner. Cash prizes amounting to \$20 were awarded to winners of an essay contest for high-school students.

* * *

Columbus, O.—H. S. Stephan, Travelers, was elected president to succeed Paul M. Smith of the New England Mutual, at a meeting of the board of trustees. E. C. Deckard, Aetna, is vice-president; J. B. Davis, Penn Mutual,

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FOURTH AT SPRING

SEATTLE

treasurer, and E. D. Miller, Provident Mutual, secretary. J. W. Ray, Travelers, was elected national committeeman and G. A. Patton, Mutual of New York, delegate to the state association. Besides these foregoing the trustees are: J. G. Belknap, Equitable of Iowa; W. R. Lawrence, Jr., Provident Mutual; W. P. Stagg, New York Life; R. C. Gauch, Mutual Benefit of New Jersey; S. G. Jones, Bankers of Iowa; John K. Boardman, Massachusetts Mutual.

* * *

Toledo, O.—Maurius Hansen is the new president; Arthur Chase is first vice-president; Fred Zweifer, second vice-president. C. S. Beck is the retiring president.

* * *

Memphis, Tenn.—Carson Rollins, Travelers, has been elected president; R. C. Hunting, first vice-president; T. C. Looney, second vice-president; W. P. Brown, secretary, and F. W. Whitner, treasurer. The new directors are E. R. Caldwell, Leslie Fortune, Lamar Brightwell and Waddy West. Mr. Brightwell is national executive committeeman and Mr. Turnbull state committeeman.

* * *

Colorado—The association closed its fiscal year with an official membership of 465.

* * *

Chicago—Standing committees of the Chicago association have been appointed by President I. B. Jacobs. The chairmen are: Advertising, E. S. Rappaport, Pacific Mutual; by-laws, C. P. Blachly, New England Mutual; business practices, Walt Tower, managing director of the association; community fund, E. B. Dudley, Travelers; finance, A. Van Goldman, Prudential; field day, stag and field men's division, A. E. McKeough, W. A. Alexander & Co., Penn Mutual; general agents and managers division, Frederick Bruchholz, New York Life; greeters, L. M. Buckley, Provident Mutual; legislation,

C. B. Stumes, Penn Mutual; life insurance week, W. M. Houze, John Hancock; life trust and education, R. L. Davis, membership, A. J. Johannsen, Northwestern Mutual; music and entertainment, E. E. Larson, Massachusetts Mutual; publicity, J. D. Moynahan, Metropolitan; national convention attendance and women's division, Sara Frances Jones; national committeeman, E. B. Hobbs, Equitable of New York (continued); sales congress, L. S. Broaddus, Acacia Mutual; speakers, F. H. Haviland, Connecticut General.

* * *

San Jose, Cal.—The summer sales congress was held last Saturday with J. M. O'Keefe, manager Metropolitan Life and president of the San Jose association, presiding. The speakers in the morning were Carl Nedon, one of the leading field men of the Metropolitan Life, whose subject was "Planning the Week's Work"; S. R. Bowman, San Francisco, manager Acacia Mutual, who gave a visual sales demonstration; Victor Petric, Occidental Life, on "Getting Into High Gear"; W. D. Bryson, manager Retail Credit Company, on "The Humorous Side of the Inspection Business." At the luncheon Larry Gott, Acacia Mutual, past president San Jose association, presided, the speaker being Maurice "Clipper" Smith, head coach University of Santa Clara. J. H. Tupper, Pacific Mutual Life, vice-president San Jose association, presided in the afternoon. W. R. Hoefflin, western agency supervisor Pacific Mutual, spoke on "Economic Death Income Protection." George Mortensen of Oakland, assistant manager Equitable Life of New York, had as his subject, "Monthly Premiums"; R. P. Cox, vice-president and agency manager California Western States Life, spoke on "Insured Investments." Frank W. Bland of San Francisco, Pacific Coast manager of The National Underwriter, gave a talk on "Educational Insurance."

AGENCY MANAGEMENT

Walker Is Elected President

Heads Utah Life Managers Group, Succeeding Harrop; Other Officers Named

western Mutual, presided. Eugene Fisher, president Cleveland Life Underwriters, offered a fine tribute in memory of E. B. Hamlin of the National Life of Vermont, who died during the past year.

Meeting in Kansas City

KANSAS CITY, MO., July 3.—New by-laws evolved by the Life Underwriters Association of Kansas City to concur with the recommendation of the National association were considered by the General Agents & Managers Association this week and were recommended for adoption. E. M. Somerville, Penn Mutual, discussed "Stimulating the Production of Older Agents." Mr. Somerville reviewed various plans in this connection. O. J. Neibel, Penn Mutual, talked on "Insurance Taxation." He stressed particularly the need of increased insurance to cover increased tax burdens.

Agents' Carelessness Cause of Non-medical Rejections

Approximately 17 percent of non-medical applications received are declined because of fault of the agent in overlooking non-medical rules, the Equitable Life of New York finds. The most frequent rejections are non-observance of age limit, date of last preceding medical examination, non-medical amount limits, and of the fact that previous issue was substandard or application declined.

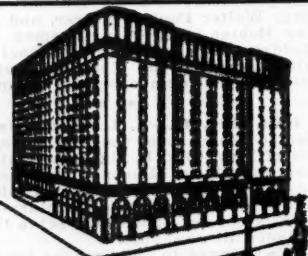
Approves Land Bank Bonds

LANSING, MICH., July 3.—Joint stock land bank bonds are proper investment securities for insurance carriers according to a current ruling of the Michigan attorney-general's department. There was considerable apparent ambiguity in the law and the insurance department asked for an interpretation.

Milton Jenison, 40, assistant Des Moines manager of John Hancock Mutual Life, is back at his desk following an automobile accident.

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Clarence A. Miner, President

Gantz Heads Cincinnati Body

Newly elected officers of the Associated Life General Agents & Managers of Cincinnati are: J. M. Gantz, Pacific Mutual, president; Guy D. Randolph, New England Mutual, vice-president; A. R. Mead, Acacia Mutual, secretary-treasurer. The board of trustees also includes: W. B. Ackerman, John Hancock Mutual; J. W. Dalzell, National Life of Vermont; J. S. Drewry, Mutual Benefit; L. D. Fowner, Connecticut Mutual; W. S. Fuller, Prudential; B. C. Thurman, Guardian Life. Mr. Gantz was chairman of the program committee last year which brought nationally known agency managers to Cincinnati who gave their operating and financing methods in great detail to the members of the Cincinnati association.

Late E. B. Hamlin Honored

Fifty members of the general agents division of the Cleveland Life Underwriters Association attended the annual barbecue at the Hoyt W. Gale farm. Charles Dibble, general agent North-

NEWS OF THE FRATERNALS

Need Uniform Policy Forms

New York Department Report Frowns on Open Contract in Fraternal Insurance

Standardization of fraternal societies policies so that they contain the essentials of the old line ordinary policy was recommended in a report made by C. J. Dubuar, actuary of the New York insurance department, to Superintendent L. H. Pink. At the last legislative session the department was given the regulation of fraternals, and after Jan. 1, 1936, all their certificate forms must be approved by the department.

Business of 11 larger societies was studied, the total in force at the end of the year being \$2,824,632,000, or about 69 percent of the total for all societies operating in the state.

Superintendent Pink expressed belief that more exact stipulations are essential in fraternal policies for protection of members, although stating the department does not intend to go to extremes. Fraternals use the "open contract" as contrasted with the "closed contract" required of mutual and commercial life companies. The open contract leaves the insured subject to by-law changes of rates and extent of benefits.

Terms Arrangement Loose

Superintendent Pink said this arrangement is too loose. He pointed out that great improvement in financial condition of fraternals would justify a more specific and uniform contract, and expressed opinion the department should require at least the essentials of the closed contract. He expressed belief that fraternals will cooperate in this endeavor, and said that a more definite policy will react to the benefit of fraternals.

The report urged as reasons for standardization:

1. Fraternals should recognize there is the same necessity for standardization as in life, fire and casualty insurance; a natural obligation due to the fact fraternals in character and type of contract to a large extent have become mutual life companies rather than remaining membership or benefit organizations.

2. Neither competition nor legislative powers of societies' membership should be depended on solely to fix rights of members.

3. It is for the protection and best interests of fraternal membership to have as broad a coverage with as few exceptions as possible.

Makes Nine Suggestions

Nine major points in which uniformity would be desirable are noted as:

1. Limitation as to time in which legal action over collection of policies

may be commenced or proofs of death must be filed, suggests not less than three years for filing claims.

2. Period of grade for payment of premiums. Ten societies already agree on one month or 31 days.

3. Adjustment of insurance in case of suicide; practice now widely varied. Suggests two to three year limitation on suicide.

4. Adjustment of insurance on account of change in occupation, wide lack of uniformity existing. Preferable if all exclusions as to occupation were omitted, although this may not be possible.

5. Incontestability (loss of society's right to contest payment of policy because of fraud or misrepresentation at time of insurance). Great lack of uniformity in 11 societies. Proposes two to three year incontestable clause.

6. Adjustment of insurance on account of misstatement of age. Wide lack of uniformity in settlement of claims where errors in age are shown.

7. Reinforcement of policyholder. All 11 provide for reinstatement, but under widely different rules.

8. Penalties resulting from suspension or expulsion. All societies have rules, some much more stringent than others. It is particularly important, however, for the member to know whether suspension or expulsion results in forfeiture of certificate and loss of all value. The more liberal attitude now is to permit the insured to continue his certificate, independently of membership, through payment of regular insurance premiums. Clarification needed badly.

9. Reduction of benefits or voiding of insurance entirely in particular circumstances for unusual reasons. Many unusual rules and regulations found, of which members should be made aware.

TWO BILLS AWAITING SIGNATURE

Beneficial insurance societies, which heretofore have been permitted to operate virtually without regulation by Pennsylvania authorities, are brought under control by a department bill passed by the legislature and awaiting Governor Earle's signature.

The bill requires societies to register with the department the same as any other insurance company. If any of these groups are operating illegally, the department is empowered to take them into court, have charters dissolved and liquidate them.

Premiums of \$250,000

Commissioner Hunt estimates there are about 150 of these societies operating in the state with yearly premiums \$250,000 and \$10,000,000 in force. Some have little or no resources out of which to pay claims.

Another measure before the governor amends the fraternal society code of 1921 to require societies to submit their contracts for approval and to maintain 100 percent actuarial solvency. Stricter requirements are provided for organization of new fraternals. Outside fraternals operating in Pennsylvania with-

out a state license are penalized. All fraternals must maintain legal reserves.

Protected Home Circle Meet

Attendance Over 1,000 at Opening Session of Biennial Convention Held in Cleveland

The 20th biennial session of the Protected Home Circle held in Cleveland was attended by 61 officers and members of the supreme circle, and over 450 members who qualified for the trip. Over 725 persons were registered and it was estimated more than 1,000 persons were present at the opening session. Joseph Spencer of Sharon, was secretary of the arrangements committee.

E. C. Forbes, past grand president of Ohio, was chairman in the opening session. Greetings from the 22 circles of Cleveland were extended by W. R. Cubbon, supreme guardian with response by J. A. McLaughry, vice-president.

Several changes in by-laws were made possible by the new fraternal code in Pennsylvania, so that an adult endowment now can be issued and the scope of the beneficiary widened.

President S. H. Hadley's biennial report showed the society had a membership gain for the two years of 684, but gain for 1934 was 2,265. Secretary L. D. Lininger showed progress made, especially in increased efficiency of management. Solicitor F. A. Service reported no legal complications occurred in the biennium. Dr. W. G. McLaughry reported as medical director, telling of the forward step in putting in force ratings for impaired risks and overweight cases.

Aug. 7 the society will be 50 years old. At the suggestion of President Hadley, a golden anniversary campaign has been started, ending Aug. 7, 1936. At the termination, instead of one general gathering, there will be celebrations in each of the over 400 circles of the



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order. The preliminary objective is 50 new members for each circle.

The officers of the Protected Home Circle elected at the 1933 session continue in office until 1937.

Fraternal Figures Are Given

"Fraternal Compend-Digest" Summarizes Reports of 208 Organizations Operating in This Country

The 1935 "Fraternal Compend-Digest," issued by THE NATIONAL UNDERWRITER, gives some very interesting statistics regarding fraternal societies. There is a detailed report as to fraternals of any consequence, there being 208 in all receiving attention. All these have \$1,000,000 insurance in force or more. Of these fraternals, their juvenile insurance now amounts to \$353,926,215. The insurance based on the American experience 4 and 3½ tables is \$3,161,142,077. The insurance on the N. F. C. 4 percent table is \$837,808,691. The insurance on other reserve bases is \$1,368,223,198. The total nonlegal reserve insurance is \$613,335,170. It will be seen that almost all fraternals are getting their insurance on the legal reserve basis. This gives total insurance in force \$6,334,435,351. The total legal reserve insurance including juvenile is \$5,721,108,181. The total legal reserve adult insurance is \$5,367,173,966, the entire adult insurance being \$5,980,509,136.

Wisconsin Law Permits Use of Other Fund for Expense

Expenses of medical examinations, inspection of risks and investment expenses of fraternal benefit societies for any calendar year may be paid from any unassigned surplus in the mortuary fund as the result of savings on mortality or gains on interest or both for that year, under a Wisconsin amendment relating to disbursements of fraternals just signed by the governor. Under the former provision, no part of money collected for mortuary or disability purposes or to mature policies, or of the net accretions thereto, could be used for expenses.

Rosborough New President

A. B. Rosborough, Jefferson Standard Life, was elected chairman of the agency directors' conference at Jacksonville, Fla. J. B. Webster, Penn Mutual, is secretary.

The American National of Galveston has opened a district office at Vernon, Tex., under Manager J. R. Neel.

North Carolina

R. S. PLUMMER, for many years a successful Supervisor for this Company in Philadelphia, is returning to his native North Carolina. Mr. Plummer will have openings for General Agents in several North Carolina cities (Charlotte excluded.)

***Philadelphia Life Insurance Company**
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WITH INDUSTRIAL MEN

Welch Now Department Head

Former American Bankers Vice-president in Charge of American Life of Illinois Industrial

H. C. Welch, formerly vice-president of the American Bankers, is now in charge of the industrial department of the American Life of Ottawa, Ill., which has its headquarters at 63 East 35th street, Chicago, and is writing industrial life, health and accident. Mr. Welch is vice-president and agency director of that department and Alvin Borchardt, for a number of years with the Illinois insurance department, is vice-president and actuary. The department now has about 50 agents at work in Chicago and has built up a very substantial weekly debit in that city. It has also established branches in Quincy, Bloomington and Peoria, Ill. All of the underwriting and agency work of the industrial department is handled in the Chicago office.

Western & Southern Promotions

The Western & Southern announces recent promotions to superintendents as follows:

Richard J. Rieth, agent at Hamilton, promoted to superintendent at Louisville; Lawrence Cassady, agent at Louisville; John E. Hall, agent at St. Louis-North, Mo., promoted to superintendent in the St. Louis-South district; V. C. Veschruff, agent at E. St. Louis, Ill., promoted to superintendent at East St. Louis; Ernest De Rosa, agent at Chicago-Humboldt, promoted to superintendent at Chicago-Ogden Park; Harry Rusie, agent at Kokomo, Ind., promoted to superintendent at Indianapolis; Ralph A. Paul, agent at Canton, O., promoted to superintendent at Canton; C. A. Martin, agent at Jackson, O., promoted to superintendent at Jackson; E. E. Graff, agent at Middletown, O., promoted to superintendent at Middletown; G. C. Buehl, agent at Middletown, O., promoted to superintendent at Dayton, O.; C. L. Montgomery, agent at Columbus, Ind., promoted to superintendent at Indianapolis; Robert Ferguson, agent at Dayton, O., promoted to superintendent at Dayton; Wm. A. Flaherty, agent at Cleveland-North, promoted to superintendent at Cleveland-South; G. L. Peyton, agent at Dayton,

O., promoted to superintendent at Dayton.

New Company in Richmond

The Mutual of Richmond, Va., has sold its health and accident debit to a new company called the Universal Life which will have its office in the Lyric Theater building in Richmond and which will confine its business for the present to the Richmond and Norfolk areas. The new company is headed by R. F. Holman, former manager of the Richmond district, and D. W. Darden, former treasurer of the Mutual. The Mutual health and accident premiums last year were \$127,689, claims \$53,916. It will now confine itself to industrial life of which it wrote last year in premiums \$326,554, with claims of \$85,215.

Due to the sale of its health and accident business the Portsmouth and Norfolk offices have been consolidated under the management of B. C. Ware. Manager G. R. Larus of Newport News has been transferred to Richmond to succeed R. F. Holman. He is succeeded at Newport News by John B. Kreger, formerly of Fredericksburg.

Mutual Life of Maryland Active

A Cincinnati office has been opened by the Mutual Life of Baltimore under the supervision of Manager W. J. Montgomery. He comes from Dayton, O., which he opened up for the company last summer. A new office has been opened in Toledo with F. J. Bopp as manager. Mr. Bopp comes from Hagerstown, Md., where he is succeeded by Clarence Arnold as manager. The Mutual Life opened a third Philadelphia district a short time ago and has considerably expanded its agency force in Chicago. It plans to open four additional states in the near future.

Philip Ambrosine Promoted

The John Hancock Mutual has promoted Philip Ambrosine to manager at Paterson, N. J. He started as an agent nine years ago at Hackensack. In 1929 he was promoted to assistant manager.

Home Office Men at Outing

Members of the Columbus office of the Equitable Life of the District of Columbia held their annual outing Friday. M. J. Cullinan, local manager, was in charge. On the program were L. H. Hannan, manager of agencies, Washington, D. C. and F. C. Benton, western division superintendent.

Industrial Notes

The Colonial Life has promoted Raphael Casper to assistant manager at Camden, N. J.

W. H. Waters, manager National Life & Accident at Topeka, Kan., has been transferred to San Antonio, Tex.

CONVENTIONS

Joint Conventions

A large delegation of Canada Life producers, members of the 1935 Quarter Million and Century Clubs, from all branches in the United States and Canada, accompanied by officials, attended the joint convention at Bigwin Inn, Lake of Bays, Ontario. Ideas which were successfully carried out in the most recent club convention of the Canada Life British Isles division were introduced into the Bigwin Inn convention, at the suggestion of A. N. Mitchell, vice-president and general manager, and S. C. McEvane, superintendent, who had recently returned from the British Isles. A. Gordon Ramsay, assistant general manager; R. G. McDonald, superintendent; H. N. Watt, R. J. Trenouth and J. H. Romig, assistant superintendents, were responsible

Champion Braddock Tells Value of Life Insurance

JERSEY CITY, July 3.—James J. Braddock, the new heavyweight champion fighter, spoke before the agency force of the Journal Square office of the Metropolitan Life last week. He stressed the importance of the value of life insurance, particularly in the protection of widows and orphans.

for the program. Other officials attending and taking part were Wm. Haslett, assistant general manager and treasurer; Lorne K. File, associate actuary; J. D. Williamson, assistant actuary; and A. G. Dalrymple, assistant secretary.

To Hold Three Schools

Three schools for agents of the Bankers Life of Des Moines have been scheduled for the summer: Denver, Aug. 26-27; Des Moines, Aug. 29-30, and Columbus, O., Sept. 2-3.

North Carolina Agencies Meet

North Carolina agencies of the Ohio State Life will hold a statewide convention July 9-11 at Myrtle Beach, S. C. The home office will be represented by Frank L. Barnes, the agency vice-president. The convention will commemorate the first anniversary of the North Carolina agencies and will mark a record volume for the first year of an agency organization. Plans for the meeting are being made by Cecil Wilson of Winston-Salem, eastern supervisor.

The General American Life field convention was held at Troutdale-in-the-Pines, Colo., July 1-3. President W. W. Head and Vice-President J. J. Moriarty were among the presiding officers. The speakers were largely drawn from the field. Prospecting, planning and selling were the themes chosen.

Minnesota Benefit Groups Confer on Plan With Yetka

Commissioner Frank Yetka's determination to "clean house" in the benevolent life field in Minnesota culminated in a meeting with the commission at which steps were taken to form a statewide council and adopt a code of ethics. There are 33 of these societies operating in the state. A bill in the last legislature to regulate them failed. Mr. Yetka called on them to correct conditions voluntarily, but they were unable to get together on a program. The situation was thoroughly discussed at the conference. It was proposed that assessments be levied against all members instead of those within specified age limits, known as units. It was argued thus a surplus could be built. Closer check on physical condition of applicants and limitation on expenses also were points urged.

Jay Gould, president Twin City Mutual Benefit Association, Minneapolis, was named chairman of a committee to proceed with a state organization. There are about 110,000 certificate holders in the 33 societies now operating in the state.

Two applications for consolidations involving four associations are now before the commissioner. The United Life Association of Minneapolis proposes to take over the Granite City Mutual of St. Cloud, launched a little more than a year ago. The Community Mutual Life Association of Madison has filed an application to absorb the Prairie Mutual of Clarkfield.

The California insurance department has filed complete reports on the Allianc Mutual Life and the Angelus Mutual Life. The Santa Fe Mutual Life of New Mexico has applied for license in California. There were 649 life agents licensed last month.

SALES IDEAS AND SUGGESTIONS

Some Suggestions on Program for One's Life Insurance

James C. McFarland of Cincinnati, general agent of the Ohio State Life, presents some excellent observations on the programming of insurance and the forming of contacts with prospects. He feels it is desirable to have some sort of an introduction and he usually, beforehand, sends out a letter signed by the president of his company or himself, telling about some particular contract and stating that he will call. He thinks it is essential to have his name familiar with the prospect on whom he will call.

Work Is Done by the Appointment Method

Mr. McFarland works by appointment. He uses the telephone largely and he finds it a success and time saver. He employs care in selecting prospects and feels satisfied if he can make two appointments out of five telephone calls. The percentage varies with the care that he uses in selecting names. In making an appointment he tells the prospect that he would like to talk with him regarding his insurance problems. He attempts to probe the man and find what his ideas are concerning insurance and his attitude toward it. As time goes on he can ask more intimate questions. He asks him how much insurance he has and he may answer in any form and then Mr. McFarland always comes back, "Why not \$9,000?" if he has \$5,000. This opens the way for the introduction of a program. Mr. McFarland can show him the skeleton needs and tells him that he is an insurance diagnostician.

Example Is Used to Illustrate the Plan

Mr. McFarland selected as an example, a married man 28 years old, his wife 27 years old, and a boy a year old. He assumes that he has no other insurance. He pays his wife \$150 a month to run the house. The child will be dependent upon the wife until he is 18 years old. There should be \$75 a month for his maintenance. Then if he wants to provide an income for his wife longer than the first year, he must consider that and he may put it down at \$50 a month. The monthly income plan is explained so that the prospect can be convinced that the widow will not have any investment problems. While the policyholder is building up and providing for his dependents he is automatically building up a savings which will take care of him when he is ready to retire if necessary. There are two contingencies—he may die too soon or live too long and he should be provided for. If he mentions the fact that he has other income producing property, Mr. McFarland tells him that what he must be interested in chiefly is to produce income in a sufficient amount when his earning power stops. After getting considerable information Mr. McFarland works out a program and takes it back to him.

Program Is Worked Out For the Prospect

Program for John Jones: These amounts will be paid to your wife, if anything should happen to you. (1) \$1,000 in cash; (2) \$150 per month for one year; (3) \$75 per month till John is through high school; (4) \$50 per month after this time for the rest of wife's life; (5) deposits to stop at age 65, and cash values to provide a life income to self.

How Program Is Worked Out: (1) \$1,000. (2) \$1,770 will provide \$150 per month for one year. (3) \$11,093 will

provide \$75 per month for 16 years, a total of \$14,400. (4) \$5,527 will increase to \$9,390 in 17 years, and this will provide \$50 per month for life to wife at age 44. \$19,390 is needed—assume \$19,400. If you had \$19,400 insurance in the form of ordinary life, the cash values at age 65 would be \$10,515 which would give you about \$82 per month for the rest of your life. This coverage would require deposits of \$325.92 per year, or about \$6.25 per week.

Modified Program Is Shown the Prospect

1. \$1,000 in cash.
2. \$150 per month for 1 year.
3. \$28.50 per month until wife is 45.
4. \$50 per month for rest of wife's life starting at age 45.

How This Works Out:

1. \$1,000.
2. 1,770.
3. interest from \$9,750 (3½%).
4. _____

\$12,520 Needed.

Actual Calculations Are Explained

Mr. McFarland explains the actual calculations, pointing out the power of interest earnings, what the retirement income will be, what insurance is needed to complete the program and what it

will cost. Provided the program has been worked out properly Mr. McFarland declared that if the prospect has the money he doesn't need to be pressed any further. The prospect is sold for immediate or future delivery. If there is no achievement and the prospect hesitates, Mr. McFarland says, "Do you want me to come back or will my call irritate you?" He leaves the program with him because he finds that it exerts a definite selling pressure. If some other agent is able to kill it or dissuade the prospect, Mr. McFarland claims that the original agent hasn't properly programmed him. If the prospect needs a little persuading, Mr. McFarland shows him how little his present insurance, if he has some, will do, or if he has shown interest in his own retirement, he dwells on what an assured income at 65 will mean.

Gets the Prospect on a Bedrock Foundation

His next step is to get down to bedrock, having the prospect admit that his wife will have to work during the years she is able, if he dies but that after age 45 or 50 she probably will not be able to continue working. Then it is his duty to provide for her surely. This can be done by setting up a sum which is left with the company at interest. The interest would be paid to the wife monthly during the years she is working and would supplement her own income. At any age she desired she could put this principal sum under the life income option. Sometimes Mr. McFarland suggests that the assured provide that she can draw small sums, say \$250 or \$500 from this principal sum in any one year during the time she is

receiving interest payments. He suggests a lower premium form of insurance such as modified life or term if necessary.

Mr. McFarland says it is found that mentioning the medical examination makes a very effective close. He says: "Mr. Prospect, we may be talking about something that can never materialize. Right now you are in a position to say 'Yes' or 'No,' and so is the company. However, if we have you examined and the company decides that you are a good risk, it is in no longer a position to say 'No.'"

Illustration Used from Diamond Life Bulletins

He used an illustration which he gathered from the "Diamond Life Bulletins," as follows:

YOUR PROBLEM	OUR PROBLEM
\$6.25 per week	If you die:
	\$1,000 in cash at death.
	\$150 per month for 1 year.
	\$75 per month for 16 more years.
	\$50 per month for the rest of wife's life.
	If you live:
	\$82 per month for the rest of your life starting at age 65.

"If you take care of your problem, we will lift all the rest of this off your shoulders." I let this soak in a little while and, if there is no reaction, I say: "However, this illustration is wrong for you are not going to put \$6.25 per week away and this is the true picture." (Cross out the left side and put "Y" in front of "Our.")

YOUR PROBLEM	OUR PROBLEM
\$6.25 per week	If you die:
	\$1,000 in cash at death.
	\$150 per month for 1 year.
	\$75 per month for 16 more years.
	\$50 per month for the rest of wife's life.
	If you live:
	\$8 per month for the rest of your life starting at age 65.

C. L. U. Salesmanship Questions

Herewith is presented part II of the recent C. L. U. examinations on life insurance salesmanship:

1. and 2. William Johnson, age 37, has two children aged 9 and 7. His wife is 32. He is a junior executive in a corporation and earns \$7,500 a year. He owns his home clear of encumbrance, owns an automobile and owes less than \$1,000 in personal debts. His investments consist of \$2,500 stock in the corporation which employs him, \$10,000 ordinary life payable to his wife in a lump sum, and five shares of building and loan stock 8 years old. He has a savings bank account amounting to \$1,200. His normal living expenses amount to \$5,200 annually. You have interviewed this prospect twice and he now asks you to present a written program setting forth (a) the types and amounts of life insurance he should purchase, and (b) the specific reasons for each policy you recommend. Prepare this with particular reference to its sales appeal.

3. Outline fully the prospecting methods you would use if assigned as an agent in a metropolitan area several hundred miles from your home town, and where you have no friends or acquaintances.

* * *

4. Does the prospect, when interviewed, ordinarily follow or pursue a course of behavior which, by experience, the underwriter can observe, anticipate and meet? If so, explain such tactics by the prospect and the course the underwriter can pursue.

5. Does the buying behavior of individuals differ in consequence of their (a) occupations, (b) ages, (c) standards of living, and (d) family responsibilities? Discuss and illustrate each fully.

6. (a) What is meant by "package selling" in life insurance?

(b) Discuss briefly the specific advantages and disadvantages of this plan to

(1) prospects, and (2) underwriters.

(c) To what type of prospects do you think "package selling" would not be applicable. Be specific, and give your reasons.

7. Assuming that upon careful analysis you find that a prospect, now age 35, needs \$25,000 of thirty-year endowment insurance, outline the ideas you would express in a brief sales talk setting forth the merits of such a policy.

* * *

8. (a) What is the meaning (1) "gaining the attention," and (2) "developing the interest" of the prospect in the sales process.

(b) Describe fully (1) the manner in which attention may be obtained and held, and (2) how interest may be developed.

9. (a) Explain the theory underlying the concept of the "psychological moment" in sales interviews. On what grounds do some authorities dispute the existence of the "psychological moment"?

(b) Explain and illustrate three types of "try-out" closes.

10. A prospect tells you, in an interview, that the social programs advanced by the state and federal governments will give him the protection he will need against the hazards of age and that he will feel more secure under a governmental plan than under any plan conducted by private insurers. How would you meet this objection and use it to advantage in selling him a life insurance policy?

11. When relating life insurance to a prospect's entire estate, how far should a competent underwriter go in advising and actually performing the necessary services in connection with (a) the prospect's will, (b) his business agreement, (c) his trust, (d) his tax problems? Be specific, and in each instance discuss with particular care the limit of responsibility which the agent should assume.

SALES IDEAS OF THE WEEK

GIVES FIVE CLOSING SLANTS

Five points on "Closing the Sale" were given by Osborne Bethea, New York City general agent of the Penn Mutual Life, at the annual sales congress in Newark of the Life Underwriters Association of Northern New Jersey. Mr. Bethea wrote to 25 successful producers to obtain their ideas on closing sales. He based his five points, on replies, which were as follows:

"(1) The close begins with prospecting. It is absolutely essential that we get before people under favorable circumstances. Therefore let us ask ourselves these questions about our prospects: (a) Do they have money? (b) Can I arrange to see them with prestige and authority? or (c) Will my idea and manner be so good that I can immediately create favorable conditions? Obviously, it seems to me this is the beginning of the close.

"(2) After we select the prospect, we must approach him. J. Elliott Hall, one of America's greatest salesmen, says: 'The close begins when I open the man's door. The way I approach him has a great deal to do with the close. If I approach him with an air of confidence, with a smile on my face, extend my hand and give him a hearty handshake, it is part of the close. When I open my mouth, if my voice has a ring of assurance in it, it is all part of the close.'

"(3) The third point for your consideration seems now to be generally ac-

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TAKE BOTH Life men who write automobile or fire insurance, as well as life, should read *The National Underwriter* (Fire, Automobile and Casualty Section, \$4 a year), as well as the *Life Insurance Edition*. Both on one subscription, \$5.50 a year. Send order now to A-1946 Insurance Exchange, Chicago

cepted in the field of life insurance. The salesmen must be organized. Our prospects are organized, so why shouldn't we? Most of them have said, 'Yes and No' to a number of life insurance men, and they know the standard objections. Therefore, as Allan Gates says, 'if prospects are well selected, your organized plan must stand in bold relief on the one hand and only trivial, temporary objections are on the other side.' It is the organization of our purposes in life that keeps us marching, and that same thing is true of our prospects. Organizing our purposes makes it easier to crystallize the prospect's problem and close the sale. We must find the problem and convey it simply because more often than not our prospects do not understand what life insurance can do for them. Actually, they have not recognized their need.

"(4) The next step in the close is the ability of the salesman to keep the interest and attention of the prospect. The easiest method I know of controlling interest and attention and pouring oil in the sales talk is through the question and answer method of interviewing.

"(5) Lost opportunities for closing are far more serious than lost opportunities for approaches. Therefore we cannot slight them, we cannot abuse them and we must not waste them. Let us remember what Bobby Jones says: 'There is no part of the golf swing that a golfer can concentrate on to the exclusion of all other parts and still have a good swing.' This really is the picture of a good closer. He has balance and direction in all phases of his work. Closing sales is difficult or easy, chiefly with respect to the care that has been used in selecting prospects and how much thought is given to planning and effecting the interview."

* * *

BEST INVESTMENT FOR 95½%

L. O. Schriver, Peoria, Ill., general agent Aetna Life, in a discussion of "1935 Streamline Models" at the annual meeting of the Life Underwriters Association of St. Louis, said life insurance is the best investment for 95½ percent of the population and will continue to be for at least the next five years. He pointed out the handicaps for persons seeking to secure their future through personal investments. Life insurance takes all of the guess out of the problem of investing safely. "I have never sold life insurance because some one was going to die," he continued. "I sell it because someone is going to live. It provides for and hedges against all of the possible contingencies of life." Touching on qualities for success in life insurance he listed the following essentials: Intense belief in the thing you sell, a real method for keeping a list of prospects who can qualify for and purchase additional insurance; careful preparation of all cases in advance, and refusal to quit under any sort of handicap.

* * *

INSURANCE NEEDS INCREASED

A. Gordon Ramsay, assistant general manager of the Canada Life, pointed out in a recent address that "One factor alone is beginning to have its effect upon the mental attitude of many citizens who can, if they will, increase their life insurance holdings. That is, the persistent fall in the earning power of money, which in itself, and automatically, decreased the family protection involved in the present life insurance of every husband and father.

"Insurance programs should be viewed in the light of changed conditions existing today. The decline in interest rates in recent years has meant in many cases that a bequest which would have made adequate provision for one's heirs may now prove all too small."

Free Trips to Convention

The Guarantee Mutual Life of Omaha, Neb., is offering free trips to the convention of the National Association of Life Underwriters in Des Moines in September to agents qualifying in a sales contest.

CHICAGO NEWS

HINTZPETER OFFICE TO MOVE

The Herman C. Hintzpeter agency of the Mutual Life of New York, 208 South La Salle street, Chicago, is to move July 6 to the new quarters in that building extending across the entire La Salle street front on the eighth floor and half way down the north corridor. The space contains about 14,000 square feet and gives Mr. Hintzpeter a consolidated office of fine appearance, where heretofore his agency has been pretty well scattered in the building. Production has been keeping up well, June being an exceptionally good month.

* * *

CELEBRATES 11TH ANNIVERSARY

The Clearing House branch of the New York Life in Chicago celebrated its 11th anniversary at a luncheon this week at which R. E. Whitney, inspector of agencies of the central department, and R. P. Gainer, head of the inspection department, and E. B. Bronson, cashier of the Illinois clearing house, were guests. Frederick Bruchholz, agency director, presided. The branch is ahead of its top allotment for the year.

* * *

OVERCOMING SLUMP DISCUSSED

Overcoming the summer slump was discussed at the meeting of the woman's division of the Chicago Life Underwriters Association in a program arranged by Miss Genevieve Forsberg, Equitable Life of New York. Mrs. B. H. Adams, New York Life, in talking on "Begin Where You Are," said that all agents can't write big volumes, but they should do the best they can and enjoy their work. A talk by Miss Mary T. Dailey, Massachusetts Mutual, on "Plan Your Work and Work Your Plan," was read by Miss Jeannette T. Phillips, Massachusetts Mutual. The proper use of time and working intelligently are the keys to success. Every month Miss Dailey devotes some time to planning out her work and selects ten prospects for each of the working days. She always makes it a point to make her first call by 9:30 in the morning. Miss Edna Kaufmann of the Penn Mutual Life, formerly cashier of the Home Life, discussed "Your Mental Attitude." Knowledge of one's business and a happy frame of mind with plenty of energy and courage spells successful results, she said.

In discussing the "Summer Slump," Miss Vera Reynolds, Equitable Life of New York, said "If you have work to do, do it. Don't permit anything to distract you from work." Miss Reynolds said that she finds having an objective like going on a trip or buying something, or paying a life insurance premium, aids in getting results.

Walt Tower, managing director Chicago association, discussed legislation and told of the advantages of membership in the organization.

* * *

DUNNE'S NEW BOOK ISSUED

A brand new life insurance book giving reports on companies appears this year known as "Dunne's International Insurance Reports," published by the "Insurance Index," 330 South Wells street, Chicago. It covers statistical and management records of all the old line legal reserve companies as well as legal reserve fraternals. Historical data is given. A biographical sketch of the chief officers is given. The basis of reserves and type of security in which the funds are invested are covered in the volume. It sells for \$5. The headings are: History and management, officers, financial statements, income and disbursements, investment information, gain and loss exhibit, exhibit of policies, five year statistics and policy forms.

D. F. Whaley, east Texas regional can Life, has moved his headquarters to McAllen, Tex.